



GENERAL Lifeboat

fund will families

Families of the eight drowned Penlee lifeboatmen will receive almost all the £2m raised by the Disaster Fund.

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700

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- '--

- 12 M

Settlement was reached after talks between the fund's trastees and Astorney General Sir Michael Havers. Penwith Council chief executive John Meore said Sir Michael had agreed the fund was a private rather than charitable trust.

Snow hits North

Snow, strong winds and floods index improved to 91.4 (91.3). North, blocking roads and disrupting rail services. The snow is expected to spread south-wards across most of Britain

York was cut off as the swollen River Ouse rose 16 ft 4 ins above normal, its highest since 1947. Police hope lower temperatures might stem the floods. Weather Back Page

Coup bid charges

Forty of the 45 said to have been mercenaries involved in an abortive come on the Seycbelles islands will be charged under South Africa's anti-hijacking law. Page 3....

Golan wete anger

'Arab countries stepped up calls for action against the U.S., which is likely to voto a UN Security Council resolution urging sanctions against Israel for annexing Syria's Golan Heights. Back Page

Jailed Briton fit

British businessman Andrew WAIL STREET was 15.23. Pyke, held without charge in an down to 867.27 at 3.00 pm. Iranian jail for the past 16 Page 24 months, is "fit and well," his father said after returning from . STOCK EXCHANGE is

Creation ruling

fundamentalist and evolution- Back Page ary views of creation. Page 4

Mortars alert

Royal Ulster Constabulary said the Provisional IRA planned continued a mobing from home-made morters "in spite of the proven inaccuracy." Federation

Alderson to quit

Constable John Alderson, the 59-year-old pioneer of community policing, will resign in introduced charges last summer. April Page 6

Bilbao kidnap Gurmen kidnapped 75-year-old businessman Jose

Lipperheide from his home in a Bilbao suburb. Page 2

Children drown Twelve children drowned when a canoe carrying 21 members of a family capsized in had

weather on an Amazon river

Skydiver dies

Edith Summers, a 60-year-old British parachutist, fell 7,500 ft to her death in Florida when her chute failed to open.

India's Test target Page 18 India needing 306 to defeat MERSEY DOCKS England in the Calcutta Test, were five for no wicket after four days.

Briefly . . .

CHISTING

hnologi,

Toulouse police recovered all 119 machine guns stnlen from an arms depot in November. South Korea lifted a midnight to 4 am curfew imposed in Seoul since 1945.

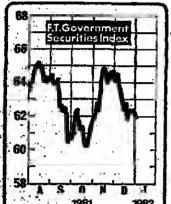
Three prisoners escaped from Preston jail.

BUSINESS

\$10 rise for gold; gilts off 0.45

• DOLLAR rose to DM 2.261 (DM: 2.241), FFr 5.7375 (FER 5.635), SwFr 1.811 (SwFr 1.791) and Y219.50 (Y239). Its trade-weighted index was 167.2 (106.4). Page 22

© STERLING fell 1.40 cents to \$1.9125. It rose to DM4.3275 (DM 4.32), FFr 10.975 (FFr 10.95) and SwFr 3.465 (SwFr 3.4525), but eased to Y420 (Y422). Its trade-weighted



term interest rate forecasts. The Government Securities index was 0.45 down at 61.89, Page 26

• EQUITIES also responded to the U.S. infinences, but the FT 30-share index recovered from its worst to finish 4.2 off at 518 L. Page 26

expected in publish on Friday proposais for a new co missions structure.

A .U.S. judge abolished an STERLING M3 grew by 0.25 Arkansas law compelling schools per cent last month, the small-to give equal balance to est rise for more than a year.

 UK RESERVES of gold and foreign currency fell last month to \$23.35bn, a drop of more than

\$4bn during the year. Page 6 BL's output of cars and carderived vans will go up this year by at least 14 per cent to between 450,000 and 500,000, Chairman Ray Horrocks said.

Page 6 Devon and Cornwall Chief GIRO CREDIT system business volume has dropped sharply since the clearing banks

> • U.S. COAL EXPORTS are expected to rise 10 per cent thia year over the 1981 total. Page 4

• WORLD BANK raised \$4.16bn on international capital markets in the first half of its current fiscal year. Page 19.

• THOS. W. WARD, the industrial holding company, forecast a atrong performance for the coming year in its detailed rejection of the £111m take-over bid from Rio Tinto-Zinc Corporation Page 18; Lex,

Back Page ISIS group of construction and plant thre businesses have been bought from United Dominions Trust under a management buy-out scheme.

and Harbour Company is to pay a further 2p per £1 unit to holders of the subordinated unsecured

loan stock. Page 17 ● PLEASURAMA, the enterfainment and amusement concern, reported pre-tax profits up from £4.6m to £5.58m in the year to end-September. Page 14

• HOWDEN GROUP increased of structures for the offshore taxable profits from £3.05m to £3.37m in the six months to end October. Page 14

KCA Int. 122 - 6

Union leaders fear votes may reject Ford pay package

BY IVO DAWNAY, LABOUR STAFF

CRUCIAL MASS meetings take place today at Ford's Halewood and Dagenham plants amid concern among union leaders company's pay and conditions

offer which includes a 7.4 per cent basic pay risc, bigher pensions and a 39-hour week.

the axle and transmission plant went on strike after a mass meeting voted by almost 2 to 1 to reject the offer. Bridgend Glamorgan 1,600 workers gave notice of strike action from

Monday after throwing out the Shop stewards at Halewood, where 10,000 assembly and body plant workers are already on strike, yesterday voted unanimously to defy their negotiators and recommend

Some 750 workers at the car kit plant near Dagenham ignored their union officials and

Ford said last night that it . The executive of the Amalga-Belfast plaot.

Enfield, Leamington, Dunton and Basildon give a 3 to 1 Yesterday, workers at a scries majority in favour of the offer of smaller plants threw out the among the plants that have polled. These represent ahout urged them to work normally.

20,000 of the 54,000 workforce. Some union leaders admitted At Swansea 1,660 workers in last night that initial returns the axle and transmission plant indicated that the trend was running against the negotiatora' recommendation that the offer be accepted. But no union beadquarters was prepared to make a firm prediction on the outcome. Mr Ron Todd, chief negotiator

for Ford's 13 unions, said he was surprised by the Halewood workers' decision to proceed with strike action He said the shop stewards had an obligation to put the

national recommendation to the Halewood meeting. 'If there la a majority in favour of rejection, then the national committee will meet

again to decide on a course of

was also expecting a majority mated Union of Engineering for rejection at the 1,200-strong Workers, Ford's aecond largest that workers may reject their Ford estimates that accept mously to recommend that its recommendations to accept the ances yesterday at Southampton, members accept the company's

Mr Terry Duffy, 'AUEW president, said he felt sure his members would accept, and

"Wc feel we can trust the negotiators," he said. "They have decided that this is the hest possible deal in the circum-The AUEW executive's deci-

sion is tantamount to warning the union's members that they

Mr Moss Evans, general secretary of the Transport and General Workers' Union, the largest at Ford, said last night that the union had ample funds to sustain a long strike.

The TGWU had sct aside £2m on short-term deposit which would be sufficient to pay their 40,000 Ford workers £12 a week for four weeks. A further £16m could also be made available,

Reagan calls for 'tangible' Nato response on Poland

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan the lifting of martial law, the the alliance. Herr Schmidt, yesferday called for an im-release of all detainees and the however, does not share this yesterday called for an immediate "tangible" response by the Nato aliles to the Polish malitary crackdown.

But there was no sign in talks in Washington that be had persuaded Herr Helmut Chancellor, to follow the U.S. and impose sanctions on the

Mr Reagan evidently felt that the Community's response had not been strong enough and called for "forceful Western measures."

If the West failed to insist that the Soviet Union stop putting pressure an "Poland directly or indirectly," there would be the gravest consequences for international relations, Mr Reagan said.

Herr Schmidt and Mr Reagan stressed the importance of allied and German-American solidarity at what the President called "a critical moment in world affairs." It was also clear that they

shared the same three object talk to Washington, will succeed tives in relation to Poland - in creating serious strains in

resumption of a "national

But Mr Reagan's stern warning of the need in put tangible pressure nn Moscow to achieve these ends received little ecbo from Herr Schmidt.

he had acted as a representarelay to Mr Reagan Monday's statement by the Community's foreign ministers in Brussels. The statement, which agreed not to undercut the

sanctions but did nothing to introduce immediate EEC sanctions, had been welcomed by the President. The State Department peated yesterday that while European sanctions need not

match precisely U.S. actions. Washingtoo wants "parallel measures" from its allies. Many members of the Reagan Administration are afraid that

Moscow, through its tactic of sweet talk to Bonn and tough

The Americans also fear that

if the Europeans are not seen to be following the U.S. in imposing sanctions, the U.S. public will become even further distillusioned with the allles-The Chancellor said only that and the whole U.S. commitment to Western Europe could be endangered.

> Herr Schmidt, however, said earlier this week that the differences in the alkance over Poland were of a "routine'

Before meeting the President, Herr Schmidt rejected U.S. criticism that West German policy had been too mild towards Moscow.

He turned the tables on his American critics by complaining to a group of senators on Capitol Hill that the U.S. had failed to its allies announcing last month's sanctions.

Solidarity leaders may face exile, Page 2 Greece saya it is not hound by EEC declaration, Back Page

for big expansion package

By Peter Riddell, Political Editor

AN EXPANSIONARY package of £2bn to £3bn is likely to be advocated by some of the so-called "wet" Ministers when the Cabinet as a whole discusses the spring budget in about a month's time.

Their priorities aeem to be a cut in employers' National Insurance surcharge, increased public sector capital investment, and possibly some action to ease industry's energy costs. The "wets" generally believe these measures should come ahead of any basic rate income tax reduction.

The debate about the Budget hy the full Cabinet contrasts with previous practice under Mrs Thatcher. It follows protests last year from Ministers who were upset at not being consulted before large tax increases were unveiled by Sir Geoffrey Howe, the Chancellor.

It has now been conceded that the Cabinet and not just the Treasury, should be able to discuss the economic outlook and the broad balance of the Budget. Noo-economic ministers expect only to be involved in the general shape of the measures. They do not want to participate in detailed decisions about individual tax rates.

A specific date for the meeting has not yet been fixed but it is likely to be at the end of January or early in February, since Budget day is almost certain to be in the first half of March, probably on Tuesday 9th. The "wets" intend to use the

Cabinet debate to press for their own package. This group of Ministers and like-minded backhenchers have emphasised strongly the need for a change ln direction in the spring Budget. These Ministers have appar

ently not yet co-ordinated their approach, but their preliminary thinking seems to focus on a £2bn to £3bn package. The scale is partly symbolic since the Ministers do not want to with the £5bn package put forward by Sir Ian Gilmour, the sacked Cabinet Minister, yet yet they do want a clear move away from present policies.

There appears to be general agreement among the "wets" and within the Treasury that the Government cannot again fail to raise income tax allowance thresholds in line with inflation, as it did last March.

There is also atrong pressure from Tory backbenchers and Continued on Back Page Money snpply rises, Back Page UK reserves fail, Page 6

'Wets' aim | Mexican heavy crude price cut

BY RAY DAFTER, ENERGY EDITOR

its heavy crude by \$2 a barrel the international market. The from \$28.50 to \$26.50—follow-lighter, more attractive Istimus ing pressure from international crude will continue to cost \$35 a barrel. oil companies.

argeat oil producer, is a significant pointer to the continuing surplus of supplies. Mexico's move follows a spate

miniaterial meeting of the Organisation of Petroleum Exporting Countries. Industry reports yesterday said that Algeria—one of the most hawkish OPEC members—had also decided to cut the price of its light oil hy 50 cents a harrel to \$37 although refining companies maintained that the price was still too high in view of the depreased demand for products such as petrol, heating oil and boiler fuel.

The Mexican price cut relates 1980. only to its heavy Maya crude — Ea one of the thickest and most expensive grades of oil to refine

MEXICO has cut the price of which is traded extensively in

The January 1 price reduction, by the world's fourth all of its crude as a 50-50 mixture of light and heavy grades, the average price of the country's oil has been reduced by \$1 a barrel. Pemex, the State of smaller price cuts introduced last week after the December

Europe and the U.S. said Mexico had been forced to respond to market pressures. The heavy crude, used mainly for making fuel oil burned by industry and electricity generating stations. had become aeriously overpriced. In the U.S., the major market for Mexican oil, demand for heavy fuel oil early last month was 27 per cent down on the corresponding period of

Earlier this week. Venezuela, Cootinned on Back Page Lex, Back Page

			(\$ p	er barrel)
	Grade (degree	es API)	Jan. 1982	Oct. 1981
Saudi Arabia:	Medium	31	32.40	33.00
	Heavy	27	37.00	31,50
	Light	34	34.00	34:00
Kuwait:	•	31	32.30	33.00
Iran:	Heavy	- 31	32.30	33.00
Iraq:	Basrah (Gulf)	35	33.46	33,96
Abu Dhabi:	· Murban	39	35.50	35,70
Algeria:	Saharan	44	37.00	37,50
Libya:	Amna	- 36	35.60	36,80
	Zueitina	41	37.00	37.50
North Sea:	Flotta	35.6	35.25	35.50
Venezuela:	Cabimas	20.6	29.62	30.52
Mexico:	Maya	- 23	26.50	28.50

HOW OIL PRICES HAVE FALLEN

Source: Petroleum Intelligence Weekly and industry sources

BP to close Dunkirk plant

close its Dunkirk oll refinery and are about 900 jobs in France as a result of the con-tinuing recession in the European oil products market, Ray Dafter writes. The move-affecting the

group's 79 per cent-owned sub- is to be closed. sidiary Société Française des Pétroles BP—is the latest in a series of measures to reduce BP's Western European refinery capacity by about 25 per cent in 1981-82.

The refinery, with an annual capacity of 4.4m tonnes, will shut this year, although BP intends to keep open its lubricants and bitumen plants on the same site. About 400 jobs are expected to be lost at the refinery.

BP said a further 500 of its 4,700 French labour force would he affected hy rationalisation measures in its supply,

BRITISH PETROLEUM is to marketing and Paris headquarters operations.

The decision means that BP has almost met its closure objectives. It has announced in the past year that nearly 23m tonnes of its original 100mtonnes-a-year European capacity

measures

tonnes):

Six refineries have borne 16. of these Dunkirk Antwerp (1.3m tonnes); Isle of Grain (10.4m tonnes); Vohburg-West Germany (2.4m Dinslaken. tonnes): Germany (2.6m tonnes), and

Speyer, West Germany (1.8m BP's actions are in line with similar measures being taken hy other major refinery companies. Industry analysts have suggested that Western European refiners would have to close at least 30 per cent of their capacity to balance supply

Trafalgar House in takeover talks on Redpath Dorman Long

BY MAURICE SAMUELSON

TRAFALGAR HOUSE is having industry and has large interests accompanied by a flow of orders talks with British Steel about in civil and process engineering, for RDL's offshore rig huilding the possible takeover of Redpath Dorman Long, the corporation's loss-making heavy engineering subsidiary. Trafalgar House already has engineerng interests.

place, hut refused to discuss their outcome or RDL's possible valuation. British Steel has been trying tn find a buyer for RDL aince last May when it said it wanted

Both aides confirmed last

night that talks had been taking

to aell up to 60 per cent of its sbareholding. The wholly owned subsidiary lost £7m after interest payments last year. Trafalgar House is one of the interests we bave been discussing the future of RDL with," British Steel said. RDL, which employs 5,500

people, is the biggest supplier

Companies UK 14, 17, 18

and hridgebuilding.
Mr Eric Parker, managing director of Trafalgar House, said that through its ownership

Engineering, the group was in the same business as RDL. This week Cleveland Bridge and Engineering opened a £26m structural steel works factory at Darlington Co. Durham. Through another subsidiary,

Cleveland Offshore, Trafalgar owns a module building yard at Middlesbrough. Among companies previously named as possible buyers of RDL is Japan's Nippon Steel, the world's biggest steel com-

Last year's performance by

RDL was considerably better than in the previous financial.

year when it lost £16m after

interest. The improvement

yard at Methil, Fife, took place under the chairmanship of Mr David Waterstone, who left the company last week. Union officials, who heard about the Trafalgar House talks Cleveland Bridge and before Christmas, are understood to be worried that a take-

over could lead to redundan-Mr Parker said last night that, although there had been a downturn in British Steel's business, "our policy is to expand."

£ in New York Jan. 4 Spot \$1,9350,9370 3 1,9130-8170 1 month 0,40.0,35 dis 0,35-0,25 dis 0,93-0,85 dis 0,80-0,70 dis 1 months 1,45-1,25 dis 1,10-0,90 dis

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World aircraft industry: turbulent times ahead 12 The train of the future: tilting into trouble 13 The world recession: why oil prices must remain high 13 Energy review: Germany-spreading the risks more thinly 8

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London Opts.

Commercial law report: cases reported in Michaelmas Term (Part II) Management: ITT's prospects in telecommunications Technology: low cost computer power 10 Editorial comment: Greece; money supply 12
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THE BUSINESS BUILDERS

CHIEF PRICE CHANGES YESTERDAY (Prices in pence unless otherwise indicated) Cornell Dresses 155 - 8 RISES: Anderson Strathclyde 94

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CRISIS IN

POLAND



Solidarity leaders may face exile

the West some former Sildarity as a moderate leader. free trade union leaders, General Wojciech Jaruzelski hinted to EEC amhassadors during his meeting with them on

"There is no place for Soli-darity extremists in Poland." he told the ambassadors. But he did not indicate whether Mr Lech Walesa, the union's head, was included among those interned leaders which the regime is anxious to expel. Mr Walesa's resfusal to negotiate with the martial law authorities except in the presence of all other members of the Solidarity praesidium is believed to be a serious embarrassment 10 the

Mr Walcsa is reported to have been under considerable psychological pressure designed to persuade him to denouoce

Mr Walesa, however, still

when martial law is removed.

told them he would "have no objection" if Western counties agreed to accept those Solidarity leaders which the authorities may wish to expel.

According to iplomats, Gen Community Jaruzelski repeated assurances that the regime did oot ioteod to turn the elock back in Poland, but

remains their beat bope of to have made no comment on BBC Polish language broadcasts re-establishing some form of the General's hints about expulfuture co-operation with what sions, but Western diplomats Polish language transmissions remains of the Solidarity union take the possibility seriously. Widespread expulsions of Soli-The amhassadors are under- darity activists would he aeen stood to have reported back to as a cynical denial of all their foreign ministers meeting assurances that the military in Brussela that the General bad regime does not intend to kill the reform movement.

Hints of new movea against Solidarity leaders came as Lord Trefgarne, Minister of State at the UK Foreign Office, called in Mr Stanislaw Staniszewski. the Polish ambassador to London, to protest against the total jamming of BBC polisb lan-guage broadcasts.

POLAND'S MILITARY Govern- darity union and agree to mise to refrain from "subver- was stepped up to cover all ment is considering exiling to negotiate with the anthorities sive activities," others would short-wave Polish language The ambassadors were asid transmitters regularly jammed between 1956 and 1963. BBC were increased from 21 to 26 hours a week on December 22. Meanwhile, the Yugoslav Communist newspaper Borba

yesterday confirmed reports of widespread purge of the Polish Communist Party in a report from Warsaw. It also said that the authorities were having trouble suppressing underground activity by Solidarity while many party mem-bers were turning in their cards out of conviction that the party had lost the faith of the nation, Mr Zbigniew Iwanow, a well BBC enginers report that the known reformist member of the

ne gave the impression that bbc enginers report that the martial law would remain in jamming comes from Soviet Polish Communist Party, has force for a considerable time. transmitters in Smolensk and While some trade unlon leaders Kaliningrad. Partial jamming according to reliable reports would be released if they prospectively.

But the meeting, which is expected to be very abort, is intended to concentrate on technical details related to the legal

documentation of the proposed agreement to allow Poland to defer repayment of loans falling due last year to some 500 commercial banks. Wider issuea, such as the course of action to take on loans falling due this year, will be aired only in a very informal

Bankers

to meet

on debts

Euromarkets Correspondent

SMALL group of inter-

national bankers is to meet in

Western bankers said yesterday. Proper discussion of these issues would require a meeting of the full task force of international hanks which has been spearheading the negotiations with Poland, preferably with the participation of Polish

government officials. No such meeting has been called as yet, the bankers said, although there is growing pressure for the Polisb Finance Ministry to be invited to attend

such a meeting.

Meanwhile, maturities falling due this year are expected to be extended informally pending new discussions, ust as those falling due last year were treated while the rescheduling arrangement was under negotia-

High-level visit

The Soviet Union said yesterday that Mr Jozef Czyrek, Poland's Foreign Minister, will visit Moscow within the next 10 days, writes our Moscow correspondent. Apart from a routine visit by the Polisb Foreign Trade Minister before Christmas, Mr Czyrek will be the first known high-ranking Polish Government and party official to go to the Soviet capital since the military clampdown on DecemLeslie Colitt gives his own view of events in Poland

West carried away on a wave of wishful thinking

weeks in Poland before and since the "Gdansk August" of 1980. I have concluded that Western assumptions about the country's future are largely based on wishful

Before December 13, 1981, Western politicians thought the Polish Communist Party was capable of reform because it said it was. They also believed Solidarity could London tomorrow for a further round of talks on Poland's debt take a moderate course, for getting that the union felt cheated of power and mortally threatened by a party which aaw its own existence

endangered.

estern governments and bankers thought wide reach**v**estern ing economic reform were just around the corner in Poland and would somehow save the country from defaulting on its loans.

Today the West'a attitude again rests mainly on hopes, this time about what the military government in Warsaw will achieve. However, it still ignores the key factor in the Polish equation — 36m Poles, 9m of wbom were members of Solidarity.

After martial law was imposed in Poland, many Westerners seemed relieved to bear the military government had merely "suspended" Soli-Solidarity and would soon resurrect a new union cleansed of

" adventurers." When it became apparent Solidarity was being smashed, Western politicians appealed to the authorities to show their good faith and negotiate with the dismembered union. And would they please give a date when martial law

would be lifted?

The military, responding with a straight face, indicated it was trying to talk with Mr Lech Walesa, but that he was proving stubborn. As to ending martial law, this depended on how quickly "normalisation" could be completed. Just in case this would take a

while, Warsaw began to describe the military government as "Communists in uni-

SPENDING many How was one to react to this farcical tragedy? The West could not have done worse than it has. It had 16 months in which to draw up a coordinated response to just such a military crackdown in Poland.

> Instead, Washington cried wolf until it was hoarse while Soviet divisions manoeuvred on Poland'a borders. The State Department chose to ignore the advice of a young diplomat American diplomat in Warsaw who had forecast just such a military takeover.

The West was caught not with its trousers down but wholly naked. President Reagan's economic counter-measures backfired before they were put into effect. Moscow and its allies were gleefully quoting Western European politicisms on the fatility of politicians on the futility of the sanctions.

The reactions by Western European leaders were hardly calculated to gain the respect of ordinary Poles who had their own ideas about how the West ahould respond. But even if a massive response was out of the question, the spectacle of so many politi-cians alternately moaning and shrugging their shoulders was depressing.

Yet optimism springs eternal the authorities in Warsaw bave now promised that the economic reforms will be introduced shortly. And this has again encouraged the West which was growing despondent about the pros-

Just how a genuine economic reform-apart from price increases-is to be achieved with a regimented and despondent population robbed of all initiative defies the imagination.

The West will have to deal with the new Polish leader ship just as it did with Poland's past Communist rulers. But it would be dangerous for it to forget the aspirations of the Polish people who ultimately will determine the future of their determine the future of their

Newspaper group's fate embroiled in P-2 probe

By Rupert Cornwell in B

THE ITALIAN Parliament's newly formed committee of inquiry into the P-2 affair is plunging in at the deep end. Its first hearing, scheduled today, will investigate the links between the ultra-secret Freemasons' lodge and the troubled Rizzoli-Corriere della Sera publishing group.

The circumstances of the hearing are as bizarre as any in the protracted battle for control of the Corriere, Italy's leading daily newspaper. Once again bowever, they are threatening to increase the political tensions already menacing the five-party coalition Government of Sig Giovanni Spadolini.

Assuming procedural wrangling can be overcome, the star witnesa today will be Sig Bruno Tassan Din, managing director of Rizzoli, and arguably the central figure in the intricate negotiations over the future, of the Corriere.

The committee session was called after weekend revelations of tape-recordings of telephone



Sig Spadolini . . . pressure

conversations late last year between Sig Tassan Din, who controls a vital 10.2 per cen of the group, and Sig Lici Gelli, the fugitive Grandmaste of P-2, now dissolved by law. In the tapes, Sig Gelli is said to have pressed Sig Tassan Din

himself a reported member o P-2, to agree to plans, favoured by the Socialist and Christian Democrat parties, for the sal-of Rizzoli-Corrière della Ser: Sig Giuseppe Cabassi,

Milanese businessman.
Sig Cabassi, however, ha
added to the general confusion by denying ever having nego tlated with Sig Tassan Din, o that he had ever had anythin to do with Sig Gelli. He hadealt only with Sig Angel Rizzoli, president of the group who holds directly 40 per cer

of its equity, he said. The latest developments as being seen generally as furthe proof of the determination Sig Tassan Din, alread embroiled in argument wit Rizzoli employees over planne cuthacks, to maintain his pos tion at all costs.

But the new entanglement Rizzoli and P-2-is being watche closely by all politicians ber The P-2 affair toppled the pr vious Government of S. Arnaldo Forlani when it becan public in May 1981.

Five months later, S. Spadolini's administration w in jeopardy from opposition Socialists, members of hia coa tion, to proposals that to Corriere be sold to a group prominent businessmen, led Sig Bruno Visen ni, That plan has now be dropped. But the Socialists a

keeping up their pressure the Government and talk oper of a new election, if necessar

Europe tries hard to close ranks with U.S.

BY JOHN WYLES IN BRUSSELS

AS FAR as most European Community Governments are con-cerned, one of the most disturbing consequences of the Polish military crackdown is that they should bave been forced this week to devise a reaction capable of impressing the United States as much as Poland or the Soviet Union.

President Reagan's decision last week to hold Moscow responsible for events in Poland cant difference between the European and American analysis of the Soviet Union's part and to apply limited sanctions both irritated the Europeans, events in Poland. Whether nr not Moscow instigated the miliwbo felt they had not been tary take over is now less releproperly consulted, and also put vant than the fact that it is them on the spot. Already unagreed in the West that the comfortably aware that in the U.S. Europe is increasingly regarded as the "wet" aector. of the Atlantic Alliaoce, EEC Foreigo Ministers gathered in Brussels on Monday anxious to reconcile differences among themselves and to close ranks

Although Lord Carrington, the British Foreign Secretary, and some of his colleagues should determine thought that Monday's meeting could have done more, they believe that the U.S. ought to be convinced that the two sides of the alliance are now mov-ing in parallel. When Nato slovak represssions but it has a Foreign Ministers meet bere next Monday, the Europeans vene over Poland because when may emphasise the following they signed the Helsinki Flual

with the Americans.

 By the eod of the month the EEC should have assembled a set of measures affecting both Poland and Moscow which, like the U.S. sanctions, will be more political and symbolic than economically punitive.

agreements, will be the forum July's Ottawa Summit to take of Leninist demo
There is now little signifipor a protest by Western part in talks later this month tralism is at stake.

rights.

Basque businessman

A BASQUE businessman, Sr to the new year, which bas

Jose Lipperheide, was kid- already seen its first violence

napped from his bome in a in the Basque country. In

Bilbao suburb yesterday in a separate incidents, a taxi driver

manner that bore the hallmarks has been assassinated and two

of Eta, the militant separatist people seriously injured by

chauffeur was forced at gun-point to let the kidnappers into the businessman's house.

driver's death has heen claimed by a group known as Triple A, believed to be an ultra-right-

seized at gunpoint

BY ROBERT GRAHAM, IN MADRID

organisation. Sr Lipperheide'a

Sr Lipperbelde, aged 75, came to Bilbao from Germany

more than 50 years ago and is

the uncle of a prominent mem-

ber of the Banco de Vizcaya.

However, there is no suggestion

that the kidnap is connected

with ransom demands on the

bank. Until now, neither of the

two big Basque banks bas been threatened for money by Eta.

The kidnap has added tension

carry forward the Helsinki

Guardia Civil gunfire. The taxi

The latter claimed in a call to

a local Basque newspaper that the taxi driver had been killed

by mistake because of an error

of identity. The two people in-

jured, an old man and a six-

year-old child, were atruck by

gunfire wben Guardia Civil

came across the tail-eod of a

demonstration outside San

wing organisation.

official Soviet news agency Tasa yesterday aharply rebuked the EEC countries for their declara-tion on Poland, accusing them of open interference in the country's affairs, Reuter re-

steps taken by the government there were its own domestic affair. Foreign Ministera when it resumes on February 9.

ports. Community foreign

ministers had ignored the

real atate of affairs in Poland,

As the U.S. is beginning to acknowledge, there is little possibility, unless the Soviet Union intervenes in Poland, of Western Europe taking action which would inflict serious Soviet Union and its satellites damage on its extensive have a moral and political responsibility for Polish representations.

There was no real prospect on • The UK, France, Italy and to Monday of the EEC adopting the an increasing extent West American sanctions against Germany, are beginning to share the U.S. view that it is Carrington pointed out, they not the Yalta agreements but would deal a much more serious the Helsinki Final Act which political and economic blow to political and economic blow to Europe's relations with Moscow should determine Western Europe's relations with Mosco attitudes to the atruggle for than to U.S.-Soviet relations.

In the meantime, the Ten a In the meantime, the Ten are

anxious to avoid undermining Europe. In other words, the West could only be impassive the American sanctions and to to the Hungarian and Czecho- develop political and economic measures of their own. The biggest worry about the American sanctions is that so right and obligation to interlittle is known about how they should be applied. The suspen-Act both Warsaw and Moscow sion of licences for the sale of offered guarantees on human ights.

U.S. equipment for the Soviet
Thus, the Madrid Conference gas pipeline to Western Europe on Security and Co-operation in remains the principal concern. Europe which is designed to carry forward the Helsinki West Germany agreed at last

Rise in

French

jobless

By David Housego in Paris

FRENCH unemployment con-

tinues to rise but the rate of

increase has slowed considerably over the past two months.

Provisional figures show that

the number of unemployed on

previous month. The equivalent

increase in November was 0.7

per cent compared with a 4.7 per cent rise in October. The number of unemployed re-

mains, however, 23.7 per cent

The Government wants to stabilise unemployment this year, which on demographic

trends will require 250,000 net

higher than a year ago.

aimed at a possible tightening of restrictions on high technology exports to the Soviet Poland now makes a clampdown on such sales much it said, and the fact that all more Ekely.

Meanwhile, the measures which the EEC could well apply by the end of the month will affect both Poland and the Soviet Union. The talks scheduled in Paris for January 14 on rescheduling the portion of Poland's debt guaranteed by Western governments are unlikely to take place, and if they do the West will put the negotiations on ice.

In addition, Poland will be denied any new credits and cutprice aales of food.

The dispatch of cheap food worth around \$100m which the Ten have already agreed in principle will also probably be

Finally, the Ten are prepared to raise trade barriers against some 30 per cent of Russian exports to the EEC. The other 70 per cent of Russian sales are energy supplies which would remain unaffected.

Any such move on the trade front, therefore, would have all the irritation for Moscow of a flea bite. But the fact that neither the U.S. nor the Europeans are yet ready to make any real economic sacrifices in support of Polisb freedoms highlights the limited confidence on both sides of the Atlantic thet sanctions alone can influence Soviet policy when the future of Leninist democratic cen-

Turkish coffee makes comeback and gives grounds for optimism

economic crisis, like that of not indigenous. It is imported. the purchase of about 10,000 The Government's decision to tons of coffee, the estimated out with coffee spoons, it has resume coffee imports is a annual national requirement. out with coffee spoons, it has ended. The ban on the import of coffee, introduced in 1978, when the country's severest economic crisis set in, was an nuadjusted basis rose in December to 2.019,000, an in-crease of 0.14 per cent over the lifted yesterday.

The ban was imposed because Turkey was short of cash and although things improved remarkahly last year, it was maiotained as a symbol of national sacrifice.

.On his missions abroad to raiae credits, Mr Turgut Ozal, Turkey's chief economic planner, often cited the sacrifice of coffee as a symbol of the discipline Turkey had imposed upon itself to tackle the crisis.

signal to Turks that thinga are

the economy. After two congrowth, gross national product that it created resentment had risen by 4.4 per cent, among cnoservative people and

Exports in the first 11 months of last year had grown by 65 per cent to \$4.10hn (£2.1bn) and would surpass \$4.5bn for the cause the Government con-year as a whole. Imports in 1981 sidered the drink itself to be would be \$8.8bn compared with \$7.6bn in 1930.

pon itself to tackle the crisis. Mr Canturk said that the im-Unlike Turkish delight or port target for 1982 was \$10bn. sedition."

IF THE life of the Turkish Turkish baths, Turkish coffee is Some of this would go towards It was not the first time that

looking up.

Mr Kemal Canturk, the Trade

Minister, who announced the lifting of the ban, said that 1981

sugar), Orta (with some sugar), had been a successful year for or sekerli (with a lot of sugar) Coffee appeared in Turkey in secutive years of negative 1543 and became so popular

> among cnoservative people and was prohibited. It was re-allowed in 1592 and forbidden again 1633, "less beparticularly noxious, but because coffee houses were baunta

Community aid for UK steelmen

By Giles Merritt in Brussels

AN EEC financial package worth almost \$50m has been awarded to Britain to belp fund schemes for aiding redundant steelworkers. The Commission grant will go towards pro-grammes being launched to help 13,600 steelworkers formerly employed at 23 UK plants. The finance is not part of the

controversial social programme being proposed by the Commission to under-pin Its demands for a restructuring of the steel industry, but comes under the category of readaptation aids paid out of European Coal and Steel Community funds.

Steelworkers in five EEC countries are to benefit from the financial package just announced by the Commission,

Liberal Amsterdam struggles to stem rising tide of social problems

BY CHARLES BATCHELOR IN AMSTERDAM

'AMSTERDAM, like the hippies AMSTERDAM, like the hipples it so enthusiastically welcomed in the 1960s, is showing signs of age. Long a magnet for the outcast, the liberal Dutch capital is fast reaching the limits of its ability to absorb new-

The city's desperate shortage of housing has produced a vocal, and frequently violent, squatters' movement. The drugs prob-lem is out of band and crime— much of it drug-related—is turning some parts of the city into no-go areas for tourists and local people.

A few years ago, Amsterdammers relate with sorrow, even the red-light district was a place where ordinary families lived and felt quite aafe. Now drug syndicates bave taken over many of the cafés on the Amsterdam bas also become famoua Zeedijk and the city authorities have drafted in extra police.

Ordinary families have fled the city for the green and pleasant satellite town up to been taken by young people, many of them students, keen to enjoy the bright lights.

The old people have also stayed, placing heavy demands on the city's social services.

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population changes

home to an increasing number of gastarbeiders from the Mediterranean countries and to many of the Surinamese who came to the Netherlands when their country became indepen-50 km away. As families have dent in 1975. One in seven of moved out, their places have Amsterdam'a 710,000 inhabltants was born outside the Netherlands.

"There can be few cities where the composition of the population has changed so radically," says Mr Wim Polak, years, "Amsterdam may be the

generation of immigrants. A half to three-quarters of the pupils in some schools come

Amsterdam has the reputation of being a free republic within the kingdom of the Netherlands. where anything goes. This image owes much to the fact that, in spite of Amsterdam's being the capital, the serious business of government takes place in The Hague, while Rotterdam is the trading and industrial motor of the economy. "Amsterdam," the saying goes, "is full of people enjoying themselves. The Hague is full of people thinking up ways of atopping them, while Rotterdam ia too busy working to notice.

This picture is not entirely true to life. Amsterdam is the financial centre of the Netherlands and the home of some 40 foreign and all the large domestic banks. It is also a major congress centre with an important, if declining, herbour and the country's international airport of Schiphol on its

But it is the city's theatres, concert hall, opera, cafes and cluba which determine its image. Amsterdam has two universities. The Hague none. Its rings of burgomaster for the past four canala lined with handsoma merchants' houses make it tha capital but it is not a large city fourth most popular tourist international terms. Its destination in Europe after ability to absorb newcomers is London, Paris and Rome,

Tourism could be one of the first business sectors to suffer from the problems Amsterdam now faces. The Japanese Foreign Ministry earlier this year warned businessmen of the dangers of Amsterdam. "Crime is a big problem," says Mr Polak, "the addict needs money and turns to mugging and sbopto the drugs problem, though we are trying to disperse the main concentrations of the

The aquatters' movement has also become increasingly violent. Clashes with the police occur almost monthly. These are frequently followed by protest marches through the city centre. The morale of the city's over-

worked police force has suffered. Senior policemen say it ia diffcult to find new recruits and even more difficult to keep them for more than a year or so. Amaterdam policemen protested last month against the difficul-ties under which they work, and demanded a large pay rise.

of the politicians to solve com- 10 per cent of the population ia plex accial problema. Amster- unemployed—a figure aa high dam's Left-wing council ia popu- aa in the traditional unemploylarly believed to have been ment blackspots in the pro-overwhelmed by the difficulties vinces. The decline of the port it faces. The success of Rotterdam'a, also Left-wing council industry, and the closure last provides a sharp contrast to the month of Ford'a truck assembly hesitant approach in the capi- plant, bave lengthened the dole

Internal divisions within the particularly in the dominant Labour Party, paralyse decisionmaking, according to one senior Rotterdam official. Mr Polak's however, denies this. "The quality of this city's managers is good," he says. But even he admits that the council bas more than its falr share of what he calls "the fifth estate"— academics and accial workers and not enough practical busi-nessmen or skilled working Relations have long been

strained between the city coun-cil and the business community. Businessmen claim that the policy of aupporting public transport at the expense of the private car drives away customers and makes staff hard to come by. Tram-only lanes bave reduced the road space available to the motoriat, while the city's refusal to allow building of car parks makea parking a nightmare. The inaccessibility of the city

They complain that they must bear the burden of the fallure over the past decade. Around



Two aspects of Amsterdam: tourist hoats on tranquil canals (above) and water cannon violent streets (top) as police clash with housing protesters





Indonesian development spending up by 35%

INDONESIA HAS unveiled what is likely to be regarded by the man in the street as a fairly unpopular draft budget. Economists, however, bave praised it as a brave attempt to limit personal consumption while maintaining the country's high level of economic growth during a worklwide recession. President Suharto's budget

plan projects a 12 per cent increase in Government revenue to \$21.5bn from \$19.2bn in 1981-82. This increase, plus a 7 per cent cut in current expenditure will be poured into the development budget, which was increased by 35 per cent to \$13.5bn from \$10bn in 1981-82. For the first time in four years, outlays on development will be greater than current expenditure, which is forecast at \$10.9bn in 1982-83, down from \$7.7bn in the current fiscal

This should enable the Government to maintain economic growth at the current level of around 7 per cent at a time when the Indonesian economy is under pressure from falling demand for commodity exports and stagnant oil prices.

To finance the development spending, President Subarto has decided to cut food and fuel subsidies by 40 per cent and to impose a salary cut in real terms on 2m civil servants.

He called on the nation to tighten its belt: "To delay development would only prolong the sufferings of a difficult and demanding life . . , therefore let us be willing to make sacrifices,"

Coming four months before an election the cuts were, thought by some to be courageous and by others, foolhardy: The budget was undoubtedly

a victory for the largely Western - trained technocrats Along with the World Bank and other : Western economists they had advised the President that the soaring subsidies on domestic fuel were encouraging wasteful use of the country's most precious natural resource The President made it clear that when the country was facing a projected balance of payments deficit of \$1bn in 1981-82 and a slightly larger deficit in 1982-3, it could not afford a fuel subsidy bill of over \$3bn. Savings in this area of around \$1.7bn would account for around balf the total increase in the development budget.

Tension mounts in Assam:

By K. K. Sharma in New Delhi TENSION MOUNTED in the oil-producing state of Assam in north-east India yesterday when nearly 400 people were arrested for defying a ban on meetings and a number of shops and businesses remained closed The protest was organised by atudent leaders who have revived the agitation on the "foreigners issue" which para-lysed economic activity in Assam for nearly a year from

mid 1979. There are fears that the movement will spread to Assam's oilfields and refineries as well as its lucrative tea gardens. This would seriously impair the Indian economy which is just recovering from the

drought and the Assam distur-bances of 1979. Students in Assam want all foreigners-mostly migrants from Bangladesh and the Indian atate of West Bengalexpelled from the state on the grounds that the local people are losing job opportunities and their cultural identity is

threatened. The students started demonstrating about two months ago when talks with the Government broke down. They have threatened to escalta the agi-

 The International Finance Corporation (IFC), the World Bank affiliate, has offered aid for the Indian oil industry. This is needed urgently now that the World Bank's soft loan affiliate, the International Development Association, is short of funds because of a cut in contributions by the U.S. and other donors.

The IFC's offer was made by plays none of the fecklessness Mr Hans Wuttke, its executive in financial management which vice-president, at a meeting is so common in Africa, with Mr P. C. Sethi, India's Petroleum Minister. The offer notice a great shortage of was mainly for exploration, although no details were discussed. The Indian Government is expected to make formal tion of businesses and the fact

Land reform troubles hungry Ethiopia

By James Buxton, recently in Addis Ababa

THE GREAT justification of the Ethiopian revolution was the terrible backwardness and poverty in which all but a small, mainly urban, minority of its 31m people were living. One of its first acts was a drastic reform of land tenure to abolish landlords, regarded as the villains of the old regime.

Now, seven years after the revolution began, the rural population is better off than before, while the urban population has become relatively poorer. But the country remains among the world's six poorest and its development prospects are uncertain.
The bright spot is the

vigorous attempt the Govern-ment is making at development on a communal, self-belp basis. Less encouraging, however, is the shaky performance of the enlarged state sector and Ethiopia's problems in trying to attract the foreign aid it needs for large scale development.

Ethiopia is poor because of its fissured, mountainous geo-graphy and the late start it made on development. The country was only colonised for six years by Italy between 1936 and 1941. Modern development for most parts of the country was hardly possible before the 1950s. Most of the population still lives more than a day's

journey from any kind of road. Although land reform came in February 1975, the next few years were so turbulent, with power struggles and wars, that little could be accomplished until the autumn of 1978. But already Ethiopia was facing a big problem which still dogs it today.

Tha disappearance of the landlords meant that farmers no longer had to pay rent. That reduced their need to produce a surplus for market, which was compounded by the

Church officials accused

Ethiopian Foreign Minister Feleke Gedle-Giorgis has accused Lutheran church officials of gun-running and smuggling ivory and has said that an Ethiopian Evangelical church headquarters had produced anti-Government .leaflets: Renter reports from Addis Ababa. Evangelical church members in the province of Wollega had been arrested for involvement in illegal underground organisa-tions, the Minister said.

new state marketing concerns were offening. Many farmers grow as much as before, but at more of it themselves.

The marketing corporations now offer a slightly better, but still uniform, price. But the towns are still often short of food, the country has a net food deficit, and the average Ethiopian lives below famine ration level, according to the World Food Programme

The Government has tried to make farmers produce more by giving them more advica and better inputs, rather than change the system. It is also trying to make the peasants' associations, set up after land reform, become farming co-operatives. Relatively fev hava done so, however, and the authorities are meeting resistance in many areas. The peasant, enjoying his land for the first time, does not want to lose his independence again.

Government planners admit that Ethiopia needs more than self-help and cash solutions. It requires a large scale develop ment programme to expand the transport system, create new industries and large scale agriculture for export.

All this needs foreign exchange, Ethiopia's main foreign exchange carner, coffee, brought in only \$280m (£145m) in 1980, equivalent to about a third of imports. Ethiopia re-ceives relatively little foreign aid—only the equivalent of about \$5 (£2.59) per bead, compared with an average of \$17 for all the least developed countries. The West disburses

about \$70m a yer to Ethiopia.

There has always been limit to how much aid Ethiopis can absorb, while many aid schemes lapsed during the re-volution because of general lawlessness. Yet its investment plan for the next 10 years calls for the spending of \$13.2bn, of which \$8.2bn will have to be

met from aid.

Every potential aid donor will be impressed by the regime's commitment development, by the efficiency of certain parts of the Ethiopian state sector—Ethiopian Airlines is one of the best-run airlines outside Europe and North America-and by the Government's financial prodence. It runs a surplus on its current hudget, has a low debt service ratio (leaving aside its unmeasured but vast commitment to the Soviet Union for arms) and adequate reserves. It dis-

skilled manpower and theffective use of much available talent, thanks to the nationalisaapplications for particular pro- that some acchaectate are still

Pretoria to charge mercenaries

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH AFRICAN authorities have unexpectedly Cuban killed reversed an earlier decision not to prosecute 40 of the 45 mercenaries involved in a coup attempt on the Indian Ocean island of Seychelles last November who hijacked an Indian airliner to Durban.

The men are to face four charges under the Civil Aviation Offences Act, South Africa's strict anti-hijacking law, the Attorney-General of Natal, Mr Cecil Rees, said yesterday. The law carries a minimum prison sentence of five years.

In the Seychelles yesterday,

South African security forces have killed one Cuban and captured another on the border between Namibia and a spokesman announced yesterday, AP reports from Pretoria. The incident occurred during a firefight, he said.

prosecution asked that the seven, including a Briton and a South African woman, be held on the "serious charges" alleged involvement in the abortion. The charges carry a fuelled suspicions tive coup appeared in court. The maximum sentence of 20 years' South African invo

imprisonment. The seven were the coup attempt remanded in custody for two

The decision to prosecute the in South Africa and abroad Durban on the Air India Boeing

of the hijackers prompted widespread calls for the suspension of South African Airways' seven foreigners arrested for of importing arms and ammuni- foreign landing rights and

weeks. mercenaries in South Africa is Minister of Police, Mr Louis le understood to have heen taken Grange, said that the at the highest Government mercenaries "only shot out level. It appears to be a direct some windows and ran around result of angry criticism both the bush." More recently howagainst the release of the men policemen have hinted that the days after their arrival in men might be brought to court.

Pretoria's lenient treatment South African involvement in charges would also be brought carries no minimum sentence.

Government spokesmen at first shrugged off the critics. In a memorable comment, the ever, Ministers and Senior

January 18 when a date for Colonal House and

Most of the men appeared in against the five mercenaries

courts in Durban, Pretoria, Johannesburg and Cape Town Colonel Mike Hoare, who were yesterday. They will appear to- released on bail last month gether in a Durban court on after a brief court appearance.



Cal Hoare

including the group's leader, their trial will be set. colleagues were initially Mr Rees said that hijacking charged with kidnapping, which

By Ihsan Hijazi in Beirut WORK is underway to repair the damaged pipeline carryin Iraqi crude oil to the Mediterranean Lebanese coast but the Government is still uncertain about whether Baghdad was ready to resume pnmping.

Pumping was discontinued last Sunday after the pipeline. extending from the Syrian border to the terminal in Tripoli, was damaged by an explosion, apparently caused hy a homb.

Tripoli oil 🖔

repairs start

pipeline

Syrian troops of the Arab Deterrent Force may take charge of protecting the pipeline against furture sabotage. Press reports said here. Syria has an interest in the continned export of Iraqi oil from the Mediterranean because part of the crude is pumped from northern Iraq to the Syrian port of Banias.

Army chiefs protest

has said that the National Security Council formed by the Government last week " not acceptable to us as it will not meet our demands and aspirations," AP reports from Dacea. The armed forces chiefs object to the inclusion on the committee of civil

Foreign investment in Ghana to be 're-examined'

BY QUENTIN PEEL, AFRICA EDITOR

FOREIGN INVESTMENTS in of the events surrounding the Ghana are to be "re-examined" wake of the New Year's Eve military coup, Flight Lieutenant Jerry Rawlings, the coup leader, announced yesterday,

Life in the capital, Accra is returning to normal, with banks reopening yesterday after the accounts of more than 200 politicians and officials in the deposed government of Dr Hilla Limann bad been frozen.

coup started to emerge from by the country's Provisional businessmen, diplomats and National Defence Council in the Ghanaians who bave fled to neighbouring Lome, Fit Lieut Rawlings appeared to be suc-cessfully consolidating his position in he capital. Heads of diplomatic missions

in Accra were yesterday summoned to a meeting with the newly reinstated Chief of the Defence Staff, Brigadier Nunoo Meosab, and Brigadier Arnold Quainoo, the army Commander As first eye-witness accounts

-although neither are believed to be members of the PNDC.

In a speech broadcast by the the "immediate task" of the winning active support from the radio-Fit Lieut Rawlings said new government. the PNDC would take a fresh look at foreign investment in Ghana "with a view to maintaining the national sovereignty and interests" of the country. He said that instead of putting faith in foreign investment, Ghana should encourage its own

industrialists. He also announced that evacuation and export of the cocoa and coffee crops, much of which has been stranded by the dislohas been stranded by the dislo-cation of the country's road net-the nearby Fifth Battalion, but

The disorganised and hap-

hazard nature of the coup has been emphasised by first eye-witness accounts. According to one report, it was started by a handful of disgruntled former members of the Recce Regiment. After unsuccessfully urging members of the regiment to join them, they shot dead the second in command, and seized two vehicles. They then

It was only when thre men reached the air force base, and announced that they were backed by Flit-Lit Rawlings, that they won some supporters, according to this account.

It seems unlikely now that there will be any counter-coup. Although senior officers in the armed forces are reported to be unhappy with the coup, it is believed there is considerable support for Flt-Lt Rawlings

Bangladesh Army Chief of Staff Lt Gen H. M. Ershad

work for up to two years, was were equally unsurcessful in among the junior officers. No-one looks after the businessman betterthan

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Year of volatile interest rates forecast for U.S.

BY DAYID LASCELLES IN NEW YORK

volatile and rising U.S. interest rates becase of huge credit demands from Government and business. This was the warning issued yesterday by Dr Henry Kamiman, the chief economist at Salomon Brothers.

Dr Kaufman's predictions, always the most widely watched on Wall Street, immediately had a depressing effect on the stock and bond markets even though they differed little from the consistently gloomy view he has

taken for some time.

But unlike previous years when he confidently predicted, usually correctly, that interest rates would set new records, Dr Kaufman forecast yesterday only that long-term interest rates in the bond market would "threaten" the highs they set last year. He doubted that the prime rate would exceed the 21t per cent peak it reached a

year ago. The main points to his fore-

• The U.S. budget deficit will rise to a record \$90bn, forcing the Treasury to raise unprecedented amounts of money on the credit markets.

The corporate

demands will also be strong because business will not be able to generate enough capital internally to meet its needs, which will be unusually high.

The economic recovery will be modest because of high infla-



Or Kanfman: depressing effect on the markets.

tion and interest rates, and poor liquidity in key sectors of the economy. Dr Kaufman sees nominal Gross National Product rising 8.5-9 per cent and real GNP only 1 per cent. • Inflation measured by the GNP deflator will rise 8-8.5 per ceot, down a point or two from this year, But Dr Kaufman said this drop might only be tem-porary, with the trend rising in the second half of the year.

Total net demand for credit

will grow by \$50bn to \$468.4bn, and much of the increase will be financed by direct household investment, mainly through the money market funds.

Dr Kaufman stressed that while the prime rate and the Fed funds rate get all the publicity, the key to the financial outlook is the long term bond rate because this determines vhether borrowers can raise long-term finance and offload the vast amount of short term debt they have accumulated in recent years and rehabilitate their balance sheets. But he

doubted whether they would be able to do so, in 1982 at least. Dr Kaufman said much would depend on whether the Federal Reserve returned to the strict mooetarist approach which, he thinks, It has eased in recent months to help the economy. If it does the targets set for money supply growth will not leeve much room for economic expansion,

Dr Kaufman's forecasts are based on a detailed analysis of the likely flow of funds hetween lenders and borrowers in the U.S. capital markets, rather than any economic doctrine. But he said vesterday that the positionhad deteriorated since his computer was primed a mooth ago. Because of the Reagan Administration's mounting hodget problems, the document ties facing tha credit markets.

Court blow to fundamentalists

BY REGRNALD DALE, U.S. EDITOR IN WASHINGTON

THE GROWING dide of Rightwing fundamentalism in the U.S. was stemmed, at least temporarily, yesterdy by a federal judge in Little Rock,

Judge William Overton ruled that the state's "creation science" law, pushed through by religious fundamentalists last summer, violated the provision in the U.S. Constitution banning religious teaching in schools in the public education

The Arkansas law required science teachers to give "equal balance" to Darwinian theories of evolution and the creationist view that life, end the earth, were created as little as 5,000

level throughout the nation. If the Little Rock ruling is upheld on appeal, the creationists are thought likely to change their tactics and concentrate on getting the teaching of their theories approved by local school boards, rather than through state legislation.

After a nine-day count os last month, widely regarded here as an historic confrontation between science and religion, Judge Overton ruled that creationism was not a science, as its advocates had maintained hut merely the Book of Genesis

The trial drew frequent comyears ago. The fundamentalists parisons with the famous Scopes have been seeking to push case of 1925, in which a biology

through similar laws at state teacher was convicted under a Tennessee state law forbiding the teaching of Darwin's theory of evolution.

The Arkansas law was pushed through by a junior state Senator with no more than 15 minntes' debate. Governor Frank White signed it into law without even reading it.

The fundamentalists at the trial suffered frequent ridicule at the hands of lawyers for the American Civil Liberties Union, which challenged the law. The creationists' star theological witness was forced to admit to a belief that unidentified flying objects were manifestations of Satan, and two others said it could be a god idea to teach that the earth was flat.

Drop in appliance sales leaves thousands jobless NEW YORK - A sudden drop chases on credit because of the

in sales of home appliances has high interest rates, which also thrown thousands of Americans caused retailers to cut inven out of work in recent weeks tories. Manufacturers reduced as the industry suffers from the production as their stocks impact of the recession.

Analysis said yesterday that as a result. the immediate outlook was gloomy for makers of washing laid off 1,700 workers indefiother large appliances.

Their sales suddenly dropped in October after three quarters redundant and 4.900 Whiripool of unusually strong husiness, employees lost their jobs. High interest rates and a moribund housing construction industry are blamed. Consumers postponed pur-Reuter

swelled. Workers were laid off

General Electric said it had machines, refrigerators, and nitely and sent bome 10,000 more for the whole of December. Maytag made 350 workers Other companies has also laid

off. staff and extended the Christmas holiday closure

Explosions rock San Salvador

capital and surrounding com- ness. munities on Monday night, home of two Supreme Court where most foreign journalists instices and other huildings, stay, was wrecked by another of According of the police only one the hlasts and a man was

person was injured. Two explosions wrecked a All the explosions were state-run low-cost hosuing credit blamed on bombs set hy left-Two explosions wrecked a agency and a Volkswagen agency wing guerrillas, who have been 30 vards from the U.S. embassy. fighting the oGvernment for the damage was caused to the building. Police quickly surrounded the building. bave been killed in the fighting, A third explosion damaged a high-tension power line, plung- AP

SAN SALVADOR, — A dozen ing the suhurban residential explosions rocked San Salvador's town of Santa Tecla into dark-A supermarket In a shopping centre neer destroying a supermarket, the Salvador's Camino Real Hotel,

> seriously injured. past 27 months. More than 35,000 people haer thought to

Tass points finger at 'scandals'

resignation of Mr Richard Allen as President Reagan's National Security Adviser was a sign of corruption and discord in the Administration, the Soviet news agency, Tass, said yesterday, AP reports from

The commentary also noted published reports of differ-ences between Mr Allen and Mr Alexander Haig, th cU.S. Secretary of State.

Petrol use declines

The U.S. Energy Department estimates that petroleum consumption will fall by 0.7 per cent in 1982 after a 4.3 per cent decline in 1981, Reuter reports from Washington. In its short term energy outlook, the department says that heating oil supplies should be adequate during the current

Canadian bankruptcies There were 49 per cent more busineses bankrunteies in Canada in November than last year, the Federal Office of Bankruptcy reported yesterday, Victor Mackle report from Ottawa.

Japan sets deadline

for Bandar Khomeini

By Charles Smith, Far East Editor. in Tokyo .

Japan's Mitsui group has set January 8 as the deadline for Iran to declare its intention to shoulder the additional costs of the ill-starred Bandar petrochemical Khomeini

If Iran fails to reply, or replies unsatisfactorily, Mitsui is expected to go ahead with plans for a complete withdrawal from the project.

The Mitsui group has been demanding since last summer that the basic contract under which Japan and Iran shoulder equal portions of the cost be re-written in view of delays and damage caused

by the Iran-Iraq war.

The Bandar Khomeini project, conceived as 50-50 joint venture between Iran and Japan, was originally expected to cost around \$500m (£263m) and was to have used associated gas from the oilfields of southern Iran as tha feedstock for a 300,000 tons per year ethylene cracker.

The cost of the project had been revised upwards to \$3bn on the eve of the Iran-Iraq war but it is now impossible to estimate following extensive damage to the 85 per cent-complete complex by Iraql bombing. This is the main reason why Mitsui has been refusing, since last April, to spend any more money on Bandar Khomeini.

Talks held in November between Mitsui group executives and a delegation headed hy the chairman of the Iran National Petrochemical Company failed to produce a formula for a resumption of

work. But Iran shoulder additional costs of the project in return for an estimate by the Japanese side of the probable amounts

Mitsul says it cannot provide any such estimate while continues and is, therefore, demanding an un-conditional promise by Iran to pay all future costs.

Joint venture for Chiyoda and Badger

Badger of the U.S. have received a letter of intent from New Zealand Refining on the award of a Y200m (5473m) refinery contract, writes Our Far East Editor

The contract would be tha first to be carried out jointly by Chiyoda and Badger. How-Chiyoda has experiever, ence of working with international partners in other markets. Last year it was awarded a Sandi Arahian refinery contract in association with Parsons of the U.S. and Technip of France.

INCREASE OF 10% FORECAST FOR THIS YEAR

Rise expected in U.S. coal exports

BY MARTEN DICKSON, ENERGY CORRESPONDENT

ton-based National Coal Asso tonnes went to Canada and ciation, the industry's umbrella 72m tonnes elsewhere,

The estimate, which is broadly in line with private U.S. analysts' expectations, comes despite a slackening in the

The NCA estimates that 1982

of European coal demand because of the reces-

exports will total 94.5m tonnes, of which 16.2m tonnes will go pared to 36.9m tonnes last year.

U.S. COAL exports are expected to Canada and 78.3m tonnes to to rise by 10 per cent this year other countries. This compares compared with 1981, according with estimated exports of 85.5m to a forecast from the Washing- tonnes in 1981, of which 13.5m

> Metallurgical coal, used by the steel industry, will account for 52.2m tonnes of the total, with 6.3m tonnes of that going to Canada. This compares with exports of 48.6m tonnes in 1981.

Steam coal; used to generate heat in power stations and industrial boilers, will make up 42.3m tonnes of the total, com-

to Canada. International trade in steam

coal is poised for a major expansion over the next 20 years as industry switches from oil firing. Growth is slower than was being forecast a year ago, but U.S. steam coal exports (excluding Canada) have risen from virtually nil in 1978 to 2.25m tonnes in 1979, 14.4m. tonnes in 1980 and nearly 28m

tonnes last year. The recent growth has been for supplies from Poland, where the NCA says.

Some 10m tonnes of this will go political upheavals have production.

The NCA estimates that US. domestic coal consumption in 1982 will reach a record 695m tonnes, a rise of 4.6 per cent on last year. The growth rate will be slightly lower than in 1981 because of a slower rise in demand for electricity and the general state of the U.S.

U.S. cost production, depres sed by a 72-day miners' strike; due in part to a substitution of last year, will rise by 10 per U.S. coal by European buyers cent to 797m tonnes in 1982

Bleak years ahead, shipbuilders are told

BY ANDREW FISHER, SHIPPING CORRESPONDENT

THE U.S. shipbuilding industry faces a few black years as more yards hecome idle and thonsands of skilled workers lose their jobs, Mr Edwin Hood, president of the Shipbuilders' Council of America, said.

In a gloomy New Year message, he said the industry

had already started to run down, A turn-around before 1984-85, if then, is highly improbable." The U.S. industry's merchant order book was rapidly dwind-

ing, with contracts for only seven new buildings of 1,000 gross tons or more placed in 1980 and eight in 1981. Over

After the end of 1982, only eight vessels will remain to be delivered," he added. Latest figures from Lloyd's Register of Shipping show a total U.S. order hook of L4m gross tons at end-September, less than Japan, South Korea, Spain, Poland or

Subsidised U.S. shipowners could now build ships abroad and still obtain substantial

The adverse effects of this

operating subsidies from the public treasury, he said.

come early enough to reverse the decline in yard capacity. "Only ship conversions and repairs—now sporty—hold the potential of relatively stable near-term markets for U.S. shipyards."

moves to expand the U.S. Navy.

He said that yards were pessimistic about the immediate outlook though optimism that a "constructive national strategy" may soon be set in motion was fortified by over

\$2bn of capital improvements

90,000 workers are employed in on the industry could not be in the last 10 years, with \$500 denied, he added. Nor would amore planned.

A few weeks ago, the Av-dale yard in Louisiana launch the President Lincoln, e largest container ship to be bu in the U.S. This is part on \$270m contract for three vexs with American President Lir.

Nearly half of the total at of construction will be coved by Government subsidies. 'e vessels are intended for e between the U.S. West Coast d Asia, with final delity scheduled for between May d November.

Swaziland to build rail link

BY BERNARD SIMON IN JOHANNESBURG

SWAZILAND is to increase its in 1984. economic dependence on South ments have not been finalised, Africa by huilding a rail link but the South African Governthat will run through its territory into the eastern Transvaal and to the port of Richards Bay, north of Durban.

South African town of Komatipoort to Mpaka in eastern Swaziland, will complete a rail route from the Transvaal to the Netal coast 250 km shorter than the existing route through South Africa.

of Swaziland Railways, the line Mpaka, will cost R50m-R60m (£27m- Accord £32m) and will be completed ways, revenues from the line

Financing arrangement is understood to be willing to contribute part of the The main beneficiaries of the

The 115 km line, from the line will be Sooth African outh African town of Komati-exporters of phosphoric acid. and phosphate rock produced at Phalaborwa in the north-east Transvaal, and timber growers. Coal from a mine to he built in the Kangwane tribal homeland close to the Swazi horder will According to a senior official also be shipped by rail via

According to Swaziland Rail-

should eliminate the railways operating deficit and help it repay loans for construction of the southern part of the Richards Bay route, completed several years ago. "The profitability of the route will depend on South African traffic," an official said. . The line will also serve Swazi-

land's coal mining industry. A Shell Oil subsidiary has shown interest in exploiting coal deposits near Mhlume in northeast Swaziland. The new line will cross the Mhlume coalfield, giving a mine the choice of exporting through Richards Bay

Beira-Umtali oil pipeline ready

Beira to the eastern Zimbahwe Maputo Governments. border city of Umtali is ready for operation after lying dor mant for 15 years, according to

businessmen. They say the 180-mile pipeline, crucial to Zimbahwe's plaos to end dependence on South African roads and railing a tripartite load tariff agree- inactivity following the imposi- Africa.

bique's Indian Ocean port of rho, and the Salisbury and the former Rhodesia in 1965 Mozambique had initially

asked for charges to Zimbabwe equal to the cost of railing fuel from Beira, a levy Salisbury was unwilling to meet.

The completion of the pipeline's long-awaited rehabilitaways for fuel supplies, is await- tion after years of enforced

THE OIL pipeline from Mozam- meet betwene its owners. Lon- tion of trade sanctions against was recently delayed by guerrilla sabotage by the Mozam-(MNR) which Mozambique and Zimbabwe allege is organised and financed by South Africa.

Zimbabwe gets all of its diesel fuel, 30 per cent of its petrol, and half of its aviation fuel from or through South

Solvay to alter supply agreements

By Giles Merritt in Brussels

SOLVAY, the Belgian checals concern and the work top producer of soda ash, b agreed to European Comm-sion demands that it shou alter its supply agreements wit EEC glass manufacturers. It of the UK, the second larger producer in Europe, is also t change its supply policies.

The Brussels Commission's pressure on the two major soda ash producers stems from concern that their exclusive, longterm supply contracts with, certain glass manufacturers were in breach of the com-petition rules of the Treaty of

The Commission's action also reflects complaints from the glass industry that the exclusive soda ash contracts tied manufacturers to a sole source of supply, and prevented them from obtaining additional sup-plies elsewhere when those were needed to boost output and fulfil orders.

Solvay has undertaken to abolish its system of exclusive contracts, and ICI has agreed in principle to accommodate the Commission's view by changing its supply contracts.

Bangladesh: the battle begins to increase exports

BY KEVIN RAFFERTY, RECENTLY IN DATCA

BANGLADESH has emharked before the clampdown on all but on one of the higgest tasks of its ten-year existence with a proposal to increase exports hy 31hn (£526m) a year within the next five years.

"Otherwise," said Mr Jame-luddin Ahmed, deputy Prima Minister and Industries Minister, we cannot survive."

He proposes to boost exports through a mixture of large projects using natural resources and smaller schames which will utilise Bangladesh'a major resource—its abundant labour force, which is probably the cheapest in the world.

The scale of his proposal must be seen in the context of the country's overall trade, which is scarcely \$3.5bn a year. The deficit has widened from \$380m in 1972-73 to an originally uphill battle through stiff health

essential imports. During the eight years, exports have risen from \$347m to between the \$750m to \$800m expected this year.

In spite of valiant efforts at diversification, jute still accounts for 65 per cent of export earnings, hut it has been hit by world recession and hy Bangladesh's production prob-

Jute crops have finctuated and jute goods have been disturbed hy industrial unrest and by poor management. Expansion of non-traditional

items has been hit by recession and by marketing problems. Exports of leather goods reached peak of \$76m in the 1979 fiscal year. Fish and shrimp exports have had to fight an

tries and are expected to reach \$50m for 1981. Because of the dominant role of the struggling jute

industry, exports have fallen further behind imports, with the gap being bridged by aid flows, making Mr Jamaluddin's export target seem elusive. But there are some hopeful signs. The first is the plan to use the country's 9 trillion (million million) cu ft of natural gas

reserves to support big indusirial projects.
A 500,000-ton fertilser plant is just coming on stream and two others are to be built, one Development Bank and the other in the private sector Norsk Hydro. The fertiliser

each. In addition, a \$200m sponge

plants will cost about \$450m

methanol plant will also expand the range of Bangladesh exports. Mr Jamaluddin says that other projects could include a pulp and paper plent using jute cuttings.

The big projects alone could provide half the extra targeted exports. By the middle of the decade, Bangladesh should be producing 1m tons of urea for export, which at today's prices, would fetch \$250m. Mr Jamaluddin estimated annual export earnings from the sponge iron plant at \$150m and from the methanol plant at \$100m.

Hope is also being pinned on under a consortium including the free trade zone which is being set up near Chitingong, Bengladesh's main port. The zone was first outlined in 1976. Mr Jamakuddin is optimistic projected \$20n for this year regulations in developed countries plant using Bangaldesh that things are on the move:

natural gas and iron ore pel- "100 plots of land are now lets from India and a \$250m ready for immediate allotment. The infrastructure is laid on, and there are two kinds of standard factories plus a central

In February, Bangladesh and the UN Industrial Development Organisation will be hosts m Bangladesh to more than 200 companies and will explain to them the advantages of setting up in the country. Mr Jamakuddin's cotimism is

tempered by the views of economists who are concerned at the low literacy rate—22 per cent — and highly politicised labour force. The lack of matural resources,

apart from gas, is a great handicap. It is aspirited by the fact that to produce stones for road foundations, workers have to bake bricks and then chop them up with handheld.

Evan Luard argues that the International Monetary Fund should apply altered criteria for credits to Third World countries

IMF loan conditions: The case for income redistribution

Montary Fund (IMF) began, there has been argument about conditionality "-the terms the Fund should demand in return for providing credit.

Traditionally the IMF acted on the basis thet, if e country had a balance of payments problem, it must be its own fault. The government must have allowed the economy to overheat, inflation to develop and the price level to get out of line, so that exports became uncompetitive and imports were Sucked in.

Thus the terms which the IMF demanded in return for a credit related to domestic international economy which fiscal and monetary policy. The Fund insisted that credit was squeezed, public spending cut, because of factors like the budgets balanced consumer increase in oil prices, world subsidies abolished and if inflation, world recession, low necessary, the currency devalued.

countries, for example the school "structuralist" economists in Latin-America, deficits which cannot be easily complained from the heginning or quickly overcome,
that these prescriptions affect. The IMF has adjusted its

than the real economy yet involving a heavy sacrifice of growth, were inappropriate to the problems facing many developing countries. In the past few years these

complaints have become more widespread and received some support in the West. In the circumstances which poor countries now face, the traditional analysis looks increasingly inadequate. In most cases, the balance of

payments difficulties of developing countries today do not stem from domestic causes at all. They arise from factors in the are totally outside their control. They have large deficits mainly because of factors like the commodity prices, and high interest rates. Therefore how-Many people in developing ever orthodox and austere their own financial policies may be they can still end up with huge

this situation. In 1979-80 the fund agreed it would lend more to countries in difficulties, over longer periods, and above all on rather less rigorous conditions. This new policy has been reflected in recent credits such as those granted to Zaire, Jamaica and India in the last few months.

The Fund still calls for measures of "adjustment" as the price for a loan, but these are now adjustments of a more long-term character, including the development of alternative energy sources, new exports and import-saving industries.

Unfortunately, however, no sooner was the new IMF policy than tha Reagan Administration was elected in the U.S. The Reagan Administration immediately began to ones-tion the policy. It demanded a return to the previous conditions for loans (the recent credit to India almost foundered on the rock of these objections).

So the old argument about

ing the financial sector rather policies slightly in response to conditionality has surfaced

No sensible person believes that the IMF, any more than any other financial institution, is likely to lend without demanding any conditions. Not many people helieve it should. The question is what kind of conditions is it relevant and sensible for the Fund to demand in current circumstances?

It is arguable that in the conditions facing many poor countries the old kind of conditionality may produce the opposite effect to that intended. Policies of over-strict credit

restraint, together with old-fashioned "liberalisation," of the kind recently adopted in Chile, Argentina, and Peru, may lead to an almost automatic deterioration in the belance of payments. Very high interest rates, which are an essential element of the policy, will lead, as they have done in the UK and the US, to increased costs and continuing high inflation. They will cause real hardship both to local

industry, and above all to the haing called for again by the ment in simpler industries local agricultural population U.S. are unlikely to bring who are usually dependent on lasting improvements by themcredit to maintain their liveli- selves alone.

sucking-in of imports, especially of luxury Western-style consumer goods for the wealthy classes - the wealthier classes are almost alone in being able to take advantage of the new policies. This flood of imports for the redistribution of income from abroad, together with the in favour of the less wealthy high cost of credit, causes classes. severe difficulties for local industry, so that bankruptcy and unemployment increase

The effect of the policies may. therefore, be a prolonged depression of the domestic economy and much increased unemployment, without any improvement, and sometimes with a serious deterioration, in the balance of payments. This is countries including Argentina and Peru.

This suggests that the kinds policy the IMF used to demand, and which are now Policies against inflation are

Liberalisation leads to a rapid bound to he demanded. But equally revelant, and particularly relevant when an antiinflationary policy is being pursued, is another condition, which the Fund has been too reluctant to call for is a demand

This would heve two effects. First: It would reduce the propensity to import, especially to import expensive consumer goods. Consumer demand would be transferred towards the purchase of food, so helping to raise producer prices and stimulate food production, end towards the purchase of simpler and cheaper consumer goods which exactly what has happened in local industry can provide and which therefore do not create a strain on the balance of payments.

Second: At the same time it. would help stimulate invest-

related to domestic require: ments and likely to come from domestic sources, instead of stimulating external investment concerned mainly with the needs of external economies and requiring heavy repayment

balance of payments imbalance Baneladesh would be more rapidly overcome. In addition the benefits of competition are more likely to be tested when markets are expanding than in severely depressed conditions which often lead to the destruction of much local industry. Certainly there should be far Philippines more public discussion of the

policies pursued by the IMF on such questions—and not only Tariland within the Fund itself. These policies can be a matter of profound importance to many . The SDR (Special Drawing Right) developing countries, an importance which will increase as the IMF's role continues to grow.

Evan Luard Is a former Labour MP for Oxford now. working for Oxfam.

Major IMF Trine Fund louis disbursements between July 1976 and March 1987 Total (millions of

This would mean that the Member Country SDRs* 122 151 331

> is the IMPs international res based on a currencies; one SDR is currently worth \$1.17 Source: IMF annual report 1961

ه کتامن لکیمل

What happens to your overseas contract if the money runs out?

In many overseas markets public and private capital expenditure is being cut back.

And where the axe falls on a project such as a highway or an airport, it could easily mean financial hardship for several companies along the line. Including some of our exporters.

This 'domino effect' may not yet have made your own exports any less profitable. But it is one more way in which exporting is becoming more of a risky business, where no-one can take payment for granted.

Today, the Export Credits Guarantee Department is paying out more and more on bad debts, not only from politically shaky countries, but from traditionally stable ones as well.

Recently a British engineering firm supplied construction equipment to a customer in the Middle East. But the customer fell victim to circumstance since the orders for the plant he had received were suddenly cancelled. This meant that he in turn had to let down his own suppliers when payment fell due.

Fortunately, the British firm had covered itself with ECGD, and was reimbursed to the tune of 90% of its losses.

ECGD offers a full credit insurance service which covers you for non-payment on exports of goods or services, worldwide — no matter whether it's the customer or the country that fails.

But this is by no means the Department's only service to exporters.

For example, ECGD can also open up sources of cheap export finance, by giving cover direct to a financing bank.

If you're exporting anywhere in the world, however safe it may seem, you should at least find out what ECGD in has to offer.

Call Joan Swailes on 01-606 6699, or contact one of our regional offices in Glasgow, Manchester, Belfast, Birmingham, Leeds, Cambridge, Bristol, Croydon or City of London.

Because if the worst ever comes to the worst, why should you end up paying for your own exports?



BYKENNETH GOODING IN BIARRITZ

BL'S OUTPUT of csrs and carderived vans this year will go up at least 14 per cent from 394,000 in 1981 to between 450,000 and 500,000, according to Mr Ray Horrocks, chairman of BL Cars.

The last year in which the group produced 500,000 cars was 1978. In 1981 there was a 9 per cent rise in production from 360.000.

Mr Horrocks said this performance reflected BL's huge capital investment programme— running at £350n1 a year—and successful products such as the Metro and Triumph Acclaim. Car production at Longbridge

the Midlands, where the Metro and Mint are produced. rose from 123,000 in 1980 to 235,000 last year. BL expects

performance this yesr. 150,000 this yest.

Cowley produces the Triumph Acclaim and by the last quarter will also be building up output of the LM10, the medium-size car which is part of a range BL says is even more important to its future then the Metro.

Mr Horrocks, speaking at the preview of a BL car which will he launched soon, said the company was the only UK-hased car maker to have increased its market share and unit ssles last vear. "The facts and figures show BL has started to turn the corner," he said.

Productivity at the Long-hridge and Cowley plants had its other volume car plant at riseo one third in the past year Cowley, Oxford, to repeat that and was in line with the best in

in the production of the Acclaim, admitted that the quality of the British-built cars was better than that for similar 84.000 last year. vehicles coming off production lines in Japan.

Mr Horrocks said car production this year depended on whether the total UK market reached the 1.5m sales forecast snd on whether the pound continued to weaken against Continental currencies. If the from 1,000 to 1,200 a week, pound went down slowly the BL will start selling the M compsny would be nesrer

450,000 then 500,000. year, up from 19.2 per cent. But its dealers reckon 23.8 per cent is an arbievable target.

erformance one year.

It forecasts that output at the cars had improved to the the introduction of the Acclaim the year-end as output of the Cowley will rise from about extent that Honda, BL's partner to Continental markets this LM10 rose. Preference would 100,000 vehicles to more than in the production of the year, BL expects sales on the 90,000 compared with about Berks, which BL closed some

The Metro ended the year in the UK with the benefit of a special "bonus deal" to dealers, which resulted in it taking 10 per cent of the available market in December.

The Mini is also doing well and output will be increased BL will start selling the Mini in Japan in April but in small introduce a revamped Rover numbers because the price of range, the Ambassador — the in Japan in April but in small BL hopes for a UK market the heavily modified vehicle will replacement for the Princess, share of about 21 per cent this be two to three times that for more Metro derivatives and be two to three times that for more Metro derivatives and

comparable Japanese cars. meant 150 more people were Jaguars ss well as car-derived With the benefit of a full needed at Cowiey. About 800 vans.

Europe, he claimed. Quality of year's sales of the Metro and more jobs would be created at be given to previous employees of the MG plant at Abingdon. months ago.

Richardson

sent report

on Royal

Bank of

Scotland

Banking Correspondent

Richardson.

The Government has sent a

copy of the Monopolles and

Mergers Commission (MMC)

report on the rival hids for

the Royal Bank of Scotland

Group to the Governor of the

Bank of England, Sir Gordon

The Bank of England is one

of several official bodies which

now has a copy of the report's

findinga but it is more

interested than most in the

MIC's conclusions since these

are expected to cover sensi-

tive issnes such as the Bank's

role in controlling takeovers in the banking system.

The Bank of England has

supported Standard Chartered Bank in its agreed bid for the Royal Bank of Scotland.

However. HongKong and

Shanghai Bank also wants to

bid although It does not have the support of the Royal Bank

board and, as a result, is in

conflict with the Bank's guide-

lines on banking takeovers

which requires them to be

made with the agreement of

hoth sides.
The MMC's report is

expected to cover the issue

of the legitimscy of the Bank's 1972 takeover guide-

lines, it has been argued that

in the current era of com-

petition such restrictions should be abolished since

they prevent banks being taken over if the manage-

ment opposes this. Other companies have no such

Three companies in

energy-saving venture

THREE British companies

involved in industrial energy

have formed a joint venture

to market energy-saving services to industrialists world-

The companies — Greens
Economisers of Wakefield,
Peter Brotherbood of Peterhorough, and White Young

Project Engineering of Run-

coro-will concentrate on

waste heal recovery systems.

The consortium, operating under the hanner Unipower,

will undertake the type of

work being encouraged by Energy Department ministers

used to power a 25-foot motor

cruiser in Cambridgeshire, Mr

Ian Kerr, a company dirictor,

who operates the boat from Littleport, near Ely, says he

is thinking of extending the idea to the 120 other luxury

cruisers his Derby-based com-

pany hires to holidaymakers.

The project is supervised by the Perkins diesel engine

company at Peterhorough. It

warned other hoat owners not

to experiment with sunflower

widc.

and officials.

Cruiser runs on

sunflower oil

The £250m LM10 programme is on schedule and pilot production is due to begin in nine

Mr Horrocks said there would not be a vscuum in BL's product launches hefore the new medium cars strived. For example, in the early part of 1982 BL would there would be significant The success of the Acclaim changes to the Mini and the

Car company hopes its £3,000 Kingfisher model can net success

BY JOHN GRIFFITHS

BRITAIN'S NEWEST-and smallest-car maker has gone into production in Rothbury, Northumherland.

The venture, attracting county council financial sup-port, is in the tradition of salaried employee staking alt to become entrepreneur.

Kingfisaer car company has advance orders for 20 cars. initially to be built at the rate of two a month, in a 2,500 sq ft factory let rent-free for two years by English Industrial Estates.

Mr Roger King, ils founder, 34-year-old former schoolteacher, has reserved a further 5,500 aq ft nearby to prepare

The first car came off the line this week-a 1330 cc turbocharged glass fibre hodied coupe hased on Mini orechanical components. It is claimed to cruise at 100 mph and return up to 40 miles per gallon. Convertible, sports and family estate versions are

Prices for a fully-finished vehicle start at £3,000, surprising figure until the production approach is explained: the cars are being built with re-manufactured BL com-

ponents. .They are classified by law as not new, and escape crash testing and the 10 per cent car tax. A consequential quirk is that they will he the first "new" cars to be delivered from a manufacturer complete with MoT certificate.

None of this has dissuaded Northumberland's industrial development officials from hacking the project. Mr Rohln Birley, county council chair-man said it was a major landmark for the county's scheme to help small businesses, Mr King and three others,

Including former Cosworth racing engine builder Mr Jim Dcakin, have put together £50,000 for the venturemuch of it from the sale of Mr King's former home Some \$2.000 is in the form of a direct grant from the county, which is helping Kingfisher seek further grants for expansion through regional ald schemes. Mean-while, aome of the team, including Mr King, have been provided with "key worker" council homes while they attempt to get the project off the ground.

Mr King says the re-manu-facturing of original com-ponents is not a drawback. Cars are heing delivered with a 12-month unlimited mileage warranty.

He admits that Kingfisher could he seen as only the latest in a long string of apecialist huilders which have sprouted, and disappeared.

"But we have set this up by learning from their mis-takes." He has vowed to avoid the principal pitfalls for many past ventures, of being tempted into exotic GT car projects while "bread and butter" vehicles have yet to establish cash flow, forays into motor sport and trying to expand production too

"We shall concentrate on the cars we have announced and those only. Even an output of a car a week is about two years away, we are going to he happy to follow the Morgan route, where there can be a waiting list of three years or more.

Ex-Ladbroke man for police chief **Trident casino board**

BY DUNCAN CAMPBELL-SMITH

MR WARD THOMAS, chairman appointed Mr Gerald Kushler, a former Ladbroke Group castno manager, to the board of the new subsidiary that will run the casino interests Trident acquired from Playboy.

The deal was approved by Trident shareholders yesterday, with only two dissenters. Mr Kushler left Ladhroke io 1978 and more recently has been working in Alicante, Spain, Lad-

four London casinos in Decem- James Hanson, a Trident direcber 1979 and May 1980. The presence of experienced was passed on a show of hands gaming directors, albeit at subidiary level, is expected to be on Fri one of the factors influencing Trident's fight to retain licences for the former Playboy clubs. It begins an appeal on January 25 against the October decision of

Also on the subsidiary's intermediaries to the Playboy board are Mr Peter Neivens, the former deputy acceptant former deputy assistant com-missioner at New Scotland Yard. Mr Thomas and two directors appointed by Trident.

cant" amount of the near £2m

Penlee Lifeboat Disaster Fund

will be distributed to the

widows and dependants of the

drowned men, it was agreed

After a meeting between fund trustees and Sir Michael

Havers, Attorney General, Mr

John Moore, chief executive of

the Penwith diatrict council, said it had been agreed that the

fund was a private trust, not a

to question this decision and

advised that we can safely pro-

ceed on this basis," he said.

Mr Moore said capital trans-

fer tax might have to be paid

on some single donations of more than £3.000 hut that these

were few. The tax would be

very insignificant."

Sir Michael saw no reason

cbaritable trust.

Mr Thomas confirmed yesterday that he hopes to add one more gaming director and a number of non-executive directors. There is speculation these could include Mr Jack Gill, the former Associated Communications Corporation director

Mr Ward's comments followed an extraordinary general meet-ing to consider the company's purchase for £14.6m of Playboy's UK organisation.

working in Alicante, Spain. Lad No questions were put from broke was deprived by the the floor in response to the courts of licences to operate its resolution, proposed by Sir tor, approving the purchase. It

Replying to questions about Trident's future, Mr Thomas defended the arrangements for Sir Gordon White and Mr Charles Sweeney to together the licensing magistrates not to receive 5 per cent of the equity renew licences for the Playboy of Trident's casino subsidiary in

> "I have to say, it really wasn't open to us as an option simply to pay a finder's fee." Men and Matters, Page 12

> > The most important considera-

tion was to get money in quickly. Understandably, this

meant that complicated legal

and tax implications were not

As donations arrived organi-

In this case, however, there

allowed to belp people only in

the following ways: through the

tragedy.

very insignificant." relief of poverty; the advance-Yesterday's decision clears ment of education; the advance-

fully apprecisted.

Cornwall to quit

By Lisa Wood

MR JOHN ALDERSON, Chief Constable of Devon and Cornwall Constabulary, annonnced his resignation from the force yesterday.

A ploneer in the controversial field of community policing, which now extends throughout his force, Mr Aldersoo, aged 53, will leave his £22,000 a year job in April.

He will then take up a fellowship, for the spring lerm, at Corpus Christic College and the Institute of Criminology at Cambridge University. is known to

sympathetic towards Liberal

policies. But he has scotched

speculation that he might become a Liberal politician. "I have no joh in the offing. and I hope you will disregard the speculation," be told members of bis police authority yesterday. "I cannot pul it more clearly than that. I would not like any motives to be impuled in my decision to retire."

a Peolee Fund was a spon- over the status of the encounter the same problems

poses beneficial to the com-

Religion and education are not relevant but legal experts

believe that the Interests of

The story is further compli-

two other funds sel up in re-

sponse to the disaster. One

has already distributed around

eight bereaved families might

the fund's tax and legal position. Tim Dickson reports on

As in the past—notably after
Aberfan—the establishment of the agreement reached

taneous reaction to human fund raised for relatives.

sers were uncertain whether to not have been great enough to register the fund as a charity or whether to opt for non-charitable status.

eight beteaved lamines inight not have been great enough to qualify for "other purposes."

That left "relief of poverty" which many felt did not square which many felt did not square.

been to go for charitable status of the households which have hecause of the tax advantages. lost a man.

were drswbscks. Charities are caled. There are, for instance,

ment of religion; and other pur- £25,000 to each widow.

The normal course might bave with handing out £1m to each

Decline in footwear trade may be over

BY ANTHONY MORETON, TEXTILE CORRESPONDENT

TENTATIVE SIGNS are emerg- -steadily last year, smounting to ing that the savage decline in about 120m pairs—about 13 per the footwear industry has come cent more than the record 106m

There is a feeling in the Industry that the enormous de- one pair out of every two stocking which took place in the delivered to the shops. Nine Industry that the enormous defirst six months of last year has ended, and that stocks in the shops are about right for the level of potential demand. The outlook for 1982 is not nearly so gloomy as a year ago.

Companies which have managed to weather the reces-sion are therefore well placed to meet strengthening demand. They are helped by a weakening of the pound against many buying is extremely price-conscious. The upward shift in Continental currencies has led

home manufacturers. This Indicates that the decline in UK employment may also be near its bottom. There are about 60.000 working in the industry in orders. now compared with 88,400 a decade ago. But the figure is 58,000 unless the economy deteriorates.

huyers to look increasingly to

Imports appear to have risen exports.

This fund made it clear that

it is simply acting as a con-

duit-and ahould not therefore

arguably gone a long way to-wards "the relief of paverty."

doubtless, expected their cash

to end up directly with victim's

relatives. not on community

National Lifeboat Institution— a possible beneficiary if not all

the money went to the families,

concerned with a private trust,

are normally exempt from Capital Transfer Tax but since

this is not a charitable trust

the normal CTT rules apply.

is as follows:

The tax position, for those

Donors. Charitable donations

There is, however, a £3,000 income.

purposes or even on the Royal

Then there are the motives of the thousands of people who have sent money. These are impossible to define but most, pairs in 1980. They account for just over

years ago imports accounted for less than one pair in every Official figures from the ritish Footwear Manufac-British turers' Federation have still to

confirm these trends. They are expected to verify the feelings to the trade in shout two or three months. But they already show that 13m pairs were delivered from

of the Continental currencies. Brilish manufacturers in At the wholesale trade level. October, compared with 12.6m September. The most encouraging figure

is of manufacturers' orders. The 15.1m pair ordered in October were 15.3 per cent higher than a year earlier. In the five months from June to October. there was a 36.5 per cent jump The international picture con-

tinues to be abscured by the not likely to fall much below civil servants strike. There was a sharp rise in imports lo October-as well as a rise in

annual exemption so that most

contributors will be unaffected.
If the loland Revenue finds out

about donations above this

total of £50.000 is also tax frec.

• The Trust. A private trust does pay income tax so there

may be some to pay if the

money is put on deposit. The

CIT liability will be hased on the position of individual con-

tributors but snee the Inland

Revenue will have no idea what

this is it is atmost certain that

there will be virtually no tax

The recipients. No tax will

he payable on receipt of any capital, though once this is

reinvested income tax will be

paid on any income in the

normal way. Tax would be paid

if the money were to be distributed by the trust as

-but its distributions have mark a cumulative lifetime

Inquiry deferred Penlee disaster fund will go to widows and dependants

A PUBLIC Inquiry into a Canvey Island methane plant opened yesterday but was deferred to January 25 to enable the British Gas Corporation, which runs the plant and the Government Health and Safety Executive to sludy evidence.

Strathclyde job boost STRATHCLYDE Regional Council's Economic and Industrial Development Committee will have its budget Irehled from about £500,000 to flim to create jobs. The council expects that the European Social Fund will provide another \$1m by mid-April, to create a total of 2,000 jnbs.

Datsun prices up DATSUN UK will raise the prices of three of its most popular models by an average 2 per cent on January 20. This means prices of the Cherry, Sunny and Bluehird ranges will have risen hetween 10 and 11 per cent in the past 12 months.

CB radio warning

COASTGUARDS have warned hoat owners against using CB radios. The Department of Trade sald CB raios offered only a 30 per cent chance of a distress call being heard and relayed to the coasiguard. Marine hand gave a 98 per cent chance.

Ship fund on target THE FUND to raise Henry VIII's favourite warship, the Mary Rose, from the seabed off the Solent reached its 1981 fight target after a £50,000 gift from Dr Armand.

Hammer, head of Occidental, the U.S. oil company.

Three-day week ABOUT 2,000 employees of the Michelin Tyre Company Stoke-on-Trent started a three day week.

Davy subsidiary THE FULL name of the Davy Corporation subsidiary named in our December I feature on UK industry's labour shakeout as British Testing is

Bank giro credit traffic declines

BY WILLIAM HALL, BANKING CORRESPONDENT

A SHARP drop has been recorded in the volume of business passing through the clearing banks' giro credit system—used by customers to pay bills-since the introduction of charges last summer. The extent has sur-prised many bankers.

In November, the volume of inter-bank credit clearings dropped by 16 per cent to 15.4m items, acording to confidential figures compiled by the Committee of London Clearing Bankers. When the first bangs intro-

duced charges of 30p per item. for inpayments by non-customers a temporary fall la traffic was expected. In June, the volume of credit clearing between banks fell by

per cent. In July, it was down 10 per cent. However, the decline has accelerated. In August and September, traffic fell by 8-9 per cent. and in October there was a 14 per cent

Under the previous system any hank branch would process the payment of hills free of charge through the giro credit

Until the hanks started charging non-customers, the volume of the giro credit traffic had been growing at an annual rate of about 8 per cent, having doubled aince 1970, amounting to 200m items a year. In the opening months of 1981. volumes continued to grow hut. since the summer, there has been a drop in the number of transactions and in the first 11 Some transactions have been March.

200-

re-routed via the rustomers own branches to avoid charges. But preliminary evidence suggests that many customers are making alternative arrange-ments. This is causing some hankers anxiety since they felt that the charges are hampering their efforts to encourage people without accounts to acquire the banking habit.

The banks are automating the piro credit system to nardle more business and contain the rapid escalation of costs. If the decline in giro credit business continues at its recent rate, some bankers wonder whether investment in modernising the system is justified.

The banks' maio rival in this area is the state-owned National Giroback. In a move to win business from the banks, it recently announced a temporary suspension of its 30p per atem charge for payment of gas and electricity bills. It will review months of the year overall electricity bills. It will review volume is down by 3 per cent. the situation at the end of

Fall of \$116m in gold and currency reserves

BY DAVID MARSH

BRITAIN'S gold and foreign currency reserves fell \$16m last month to finish 1991 at \$23.35bu, making a fail of more than \$4bu In the year, according to Treasury figures published yes-

The fall in the past 12 months is almost entirely accounted for by a reduction in Britain's foreign debts.

cies by the Bank of England to steady sterling during its erratic fluctuations last month. It traded in December in the range traded in December in the range Council (\$62m), both through \$1.86 to \$1.96 against the dollar. loans from EEC institutions.

The underlying fall, after started to weaken in June to

This change does not simply actions which the Bank makes for the Government and other.

the second half of last year. The liabilities.

amount spent is only small compared with previous periods of intervention. The reserves were also re-

duced last month by a normal end-year repayment of \$126m. on long-term loans to the U.S. and Canadian governments. Other official debt operations

added to the reserves as public sector borrowing under the The decline in December— exchange cover scheme the ninth fall out of the past 10 amounted to \$121m against remonths—seems to have reflected some-small net sales of curren— The two state institutions

carrying out borrowing last month were British Telecom (\$59m) and the National Wster The Treasury maintains that for public sector recent small accruais to the reforeign debt transactions, came serves through public borrowin; tn \$96m. This took the overall abroad represents no change in underlying fall since sterling the Government's general policy nf reducing recourse of foreign

But it is clear that the room reflect intervention as at is the for further reductions is only product of a series of trans-small.

Outstanding debt fell last year by almost \$4bn from \$18.1bn at end-1980. So the fall Nonetheleas, it gives a broad in overall reserves last year-picture of the amount the Bank from \$27.48bn in December spent to amouth sterling's 1980—was almost totally due to decline during its weak phase in a reduction in Britain's overseas

Decision likely today on Gill payment challenge

BY JOHN MOORE

poration to a record compensa- a £560,000 payment. tion payment of over £700,000 to Mr Jack Gill, the former managing-director.

A legal opinion has been sought hy the pension funds, who collectively hold around & per cent of the non-voting 'A' shares of Associated. The funds are likely to take action in the courts in an effort to block the payment to Mr Gill if they are advised that they have a good chance of success.

Mr Gill's solicitor, Sir David Napley said yesterdsy that his client would not be attending the extraordinary general meettug on Friday at Associated'a headquarters.

Sir David Napley will attend with a proxy from Mr Gill and authority to use his voting shares—amounting to a 15 per cent stake—in support of the compensation payment:

Lord Grade, chairman of the meeting. Sir Leo Pliatky. Associated enterfalments con-another director, bas described the payment as "unsavoury." Lord Grade, chairman of the

THE NATIONAL Association of cent of the voting shares, bas Pension Funds is expected to told shareholders already that announce today whether a High directors holding 45.3 per cent Court challenge is to be made of the tightly held voting shares by pension fund investors of have pledged their support for Associated Communications Cor- a resolution granting Mr Gill

> . Sir David Napley said vester-day that whether Mr Gill uses his own shares to support the resolution "will have be a matter I will decide at the meeting. My tentative view is he will not use his shares. Hopefully, that will not be

Sir David Napley explained that the terms on which Mr Gillwould leave Associated were agreed in writing. Under the Companies Act, approval of the terms was required at an extra-ordinary general meeting. Mr GdU had been prepared to leave only if those with vores agreed to use them to support the agreement. Sir David was confident of a majority.

Lord Matthews, an Associated director, is expected to use sbares he owns or influences, about 9 per cent, to vote against the compensation at Friday's

Halliday Simpson inquiry

BY JOHN MOORE

than 100 pages long, was studied by the Stock-Exchange council yesterday.

carried out by Halliday over a number of years and has examined whether thate have been any breaches in Stock Exchange rules.

arrangements. Depending on ing firm suspended from deal- the outcome of the meeting, the ings in July. A report, more matter could then be passed to the disciplinary committee.

The Stock Exchange is not expected to make the report's

conclusions public until any disciplinary proceedings have been completed. The Exchange bas an appeal procedura in its self-regulatory mechanism, so It is possible any further state ment will not be made until all

Woodworkers prove that quality pays off Raymond Snoddy describes how jobless craftsmen

Kent joinery company travelled recently from Aytesford to a reception specially for them in the new offices of the Bayerische Landesbank Girozentrale near London's Guildhall.

The joiners and apprentices were there to sec their comwork—the £160,000 refurbishment of the eightstorey building, including tha making of dealing desks and reception desk. Mr Colin Cheesman and Mr Howard Grey, directors of the Colin Cheesman joinery, asked the bank if they could bring their men to see the finished job.

The Bayerische Landesbank were so pleased with the quality of the work and the fact that it was completed within the nine weeks specified that they paid half the cost of the trip and_reception. This is an unusual company.

We will not make flimsy, cheap or nasty things. We are interested in giving craftsmen what they are doing," Mr Grey the Swiss Bank.

have built up a thriving enterprise The company, which last May moved into a former cash-and-

Aylesford, has already refur-bished the First National Bank in London and done work for the Al-Saudi merchant bank. There are high hopes for landing a £250,000 contract for refurbishing snother merchant bank and the company is already in the black and on larget for a £1m turnover in its first year.

trial estate on the outskirts of

Colin Cheesman Joinery plans to specialise in bank, office and shop refitting, but its also ready to undertake high-quality one-off jobs other companies are not interested in. The company has just finished a £6,000 swimming platform for the pool in back satisfaction in their jobs Paul Getty's old house and is so that they can take a pride in making 2n dealings desks for

All but three of the 40 work- was there hecause Colin force, which includes three Checaman and Howard Grey apprentices, had either been carry warehouse in an indus- made redundant or were facion redundancy. A duzen lost their jobs when an Isle of Grain joinery collapsed. Others were

facing redundancy in Chatham dockyards. Mr James Sweet turned up outside the Cheesman joinery the day after losing bis job. looking for work at the age of 62. And be found it.

One day last mouth, Mr Robin Leigh-Pemberton, chairman of the National Westminster Bank, travelled to Aylesford, to open officially the premises of one of his more modest customers. As he stood beside a large sanding machine he was watched by Mr John Slanley, the Housing Minister, and representatives of Arup Associates and the Bayerische Landesbank. Mr Leigh-Pemberton said he were done skilfully and on

represented what we need in this country today - creators of wealth. Doers who had created jobs for men who might otherwise be unemplayed." Later, sitting on a garden scat

made for him by the joinery apprentices. Mr Leigh-Pemberton explained there was another, more personal, reason. He had played cricket in the same Torry Hill team as Mr. Cheesman, and as a boy during the Second World War he had helped bring in the harvest on the farm of Mr Cheesman's father-in-law.

The architects and designers

because

wood-working machinery

sipping a glass of wine among

said they had come to the

Cheesman was a very unusual

person who made sure that jobs

result of the frustration of two directors of the Capterburybased Wiltshier group of construction companics. Mr Cheesman, aged 45, joinery director of Willshier

International Interior Contracts, and Mr Grey, a chartered acountant and group financial director, disagreed with the way the company was being run, They resigned and started up on their own with £50,000 share The company, with a staff of

70-80, is aiming for a turnover of £3m within the next two or three years. Mr Grey hopes a microcomputer might be presible sometime this year. But just as Mr Cheesman himself is "devoted" to getting jobs on time so he is ruthless with suppliers who cannot meet

his standards. While the official opening ceremony was on two nir stapplers were delivered. They had been promised 24 hours earlier and Mr Cheesman told their deliverers to take Lloyds British Tosting.

المكنا من المعمل

AN INTERNAL Stock Exchange to see whether further proceed inquiry bas been completed into ings were necessary under the the affairs of Halliday Simp Stock Exchange's disciplinary aon, the Manchester stockbrok arrangements. Depending on

The report describes dealings The council was studying the of any hearings are complete, report and its recommendations. This may not be until May. muary 6 is

limits.

Navy redundancy plan

officers and unfor rathers are being offered financial inducements to leave the Royal Navy in what the Ministry of Defence calls the "first phase" of a redundancy programme designed to reduce the Navy's strength by between 8,000 and 10,000 by 1985.

The redundancies, announced in last Jime's defence review, are to be voluntary at first, but compulsory retire-ment may be introduced if annual volunteer targets are not met.

Details of the redundancy terms were circulated to the Fleet last month. Those who leave will get a tax free lump sum of up to 18 menths pay, as well as the terminal grant, based on seniority and length of service, which personnel

The average payment to departing efficers is likely to be £30,000 and to senior rat-ings £14,000, tax free and

exclusive of pension.

A captain with three years seciority will get £47,925 and a £7,000 index-linked pension. while a petty officer with 12 years service would get just under £13,000 and a £1,400

The MoD argues that until reducing the size of the Navy.

Destroyers will be sold as scrap unless buyers are found soon

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE ROYAL NAVY must The Royal Navy's fleet Royal Navy late next year. On of 20 destroyers and found for only three of the

The Chilean Navy is to buy HMS Norfolk a County class frigate, and two Leunder class frigates, Dido and Bacchante, are being sold to New Zealand. Unless buyers can be found for the remaining 17 ships soon, they will be sold for scrap.

The same fate probably awaits the amphibious assault ship intrepid, which is due for disposal this year. Its sister ship Fearless is destined to go out of service in 1984.

The Navy's instructions to sell, mothball or otherwise dispose of key ships in its fleet was given emphasis in last June's Defence Review.

Mr John Nott, the Defence Secretary, said the Nevy's force of frigates and destroyers would be reduced from 59 to 50 by

These figures, however, gave only a partial picture of the intended reduction in fleet size. In 1980 alone, one helicopter cruiser and seven frigates, as well as two inshore mine-sweepers and a fast attack craft, were taken out of service.

According to information given recently to Parliament, 24 ships will be withdrawn

frigates in the next two years must be cut by 20 in the Bridget Bloom reports.

> commando carrier, a county class destroger and three frigates were withdrawn last year. So, too, were a coastal mine-sweeper and three fast target

in the coming year. Intrepid will go, as will one destroyer, three frigates, two coastal minesweepers, a coastal patrol craft and Porpoise, the only submarine in its class in the Navy.

Due for disposal next year is HMS Endurance, Britain's only ship adapted for work in the Antarctic. Suggestions that the 3,600-ton ship will be sold to Brazil which has shown interest in it, bave aroused controversy among some Tory MPs and peers who say the sale would reaken Britaln's position in the

Falkland Islands and Antarc-Projected withdrawals from service next year include the carrier Hermes, one frigate, a coastal minesweeper, a coastal patrol craft and HMS Londonerry, the Navy's trials ship.

it is known how many servicemen will leave through the preferred method of "natural wastage" it is not possible to calculate the total cost of

due to be delivered. There are

seven coastal minesweepers/

bunters on order. No new

orders for warships are on the

horizon, however.
Mr Nott put the Navy's

defence spending-in historical

perspective in a recent speech

to the International Institute

aircraft carriers and commando

ships, 111 destroyers, 165 frigates and 62 submarines. In 1980 the figures were three carriers, no cruisers, 12

destroyers, 54 frigates and 28

Five years ago. Mr Nott said.

about 31 per cent of the defence

budget went on equipment,

against 44 per cent today.

In 1950 the Navy had 12

rising

declining fleet-and

for Strategic Studies.

submarines.

present plans, Ark Royal, launched by the Queen Mother but so far buyers have been next two years. Only in June, and Illustrious, which three have been sold, is being completed, will remain. being offered invincible for £175m-what the ship cost to

build in the 1970s.

Its "follow-oo" sister ships will cost £200m and £220m respectively. Cost is the maln reason why

the size of the fleet is diminishing. The cuts are affecting warship building, which experts believe is approaching lowestever levels. . In the next four years three SSN submarines, three Type 22 and six Type 42 frigates are

Most controversial is probably the decision to sell one of the three new aircraft carriers. HMS Invincible is likely to be One anti-submarine warfare sold to Australia, leaving the

Water staff | Pit strike could cut jobs, warns Ezra reject 9.1% offer in local ballot

By Philip Sassett, Labour Staff WATER WORKERS in Wales and the West Country belonging to the National Union of Public Employees, the industry's union, have second-largest

rejected the water authorites 9.1 per cent pay offer and called South-western delegates, meeting in Salishury, recorded a rejection of the offer by about

950 votes to 550. Mr Garry Cooper, Nupe south-western divisional officer, voting in all 11 Nupe regions would be lo reject the offer and call for "pretty immediate" industrial action.

About half the 3,000 Nupe water industry members in Wales also voted to reject the offer—though hy the clearer majority of roughly 5-1. Only one of the seven branches involved, West Wales, voted to accept the offer, and then only by a narrow majority.

Nupe's water national comnittee will niest tomorrow to collate the votes of its areas and the Wales area at least will the committee national co-ordinated industrial

largest union in the industry. the General and Municipal Workers, is due to end today. Voting has so far been nuclear, and the union contacted all its regions yesternay to try to ensure their returns, thiught to have been delayed by the Christmas and New Year holiday, would be in by today. The offer would take the hasic rate for the lowest grades from £71.70 to £78.20, and for highest from £78.70

this effect would be "disastrous" strike vote much more likely. in a period of recession, when The country's 240,000 mineunemployment was still rising, workers will vote next Thursday especially in areas like South and Friday, and their leaders are urging a much higher vote However, he did not repeat for strike action than the 55 hat the board's offer-worth cent constitutionally months.

mini-hudget last month made a

hetween 3 and 10.5 per cent with the inclusion of a service bonus-was final. The board is a strike would imperil the prothought certain to agree to furgress made by the coal industry ther meetings between the two in the past year. Productivity sides should the vote favour a and attendance had improved

stress, however, that it cannot tion and to increase exports,

afford to increase the offer, and The Coal Bord's offer, worth will not raise fuel prices to fund a higher settlement. This places the onus on the Government to relax the NCB cash up to 10.5 per cent for men with long service in the Board officials agree with the any made to any group of indus- over the next week. analysis of the mineworkers' leaders that the Chancellor's trial workers in the present pay

round.

Furthermore, it comes only 10 months after the last increase, whereas other industrial workers have waited a full year for their rises. And it is the miners' third increase in 20

The offer we have made has Sir Derek said yesterday that been put together in such a way that the industry can achieve three objectives: to continue to pay good wages; to give us the substantially, allowing the NCB markets and to pick up new

The hoard has continued to to hold price rises below infla- business; and to allow us to go on investing in the future our industry."

Delegates representing the average the equivalent of 26,000 South Wales miners 9.3 per cent on basic rates and voted unanimously to recomindustry, bears comparison with ings will be held in the area

> Philip Bassett writes: Miners' pay will overshadow the negotiations opening tomorrow for 90,000 manual workers in the electricity supply industry. Power workers' union leaders are expected to have the miners' offer in mind when they table their claim for a substantial increase in pay and a reduction in their present 37-hour

The employer's side is likely to withhold any reply until the next meeting with the unions, set for February 4.

Bank union to propose 15% pay claim

BY BRIAN GROOM, LABOUR STAFF

MINERS were yesterday warned .

they may face unemployment if

they vote for strike action in

Sir Derek Ezra, chairman m

the National Coal Board, said

during a visit to Swansea that a

strike vote could force the NCB

investment programme, damag-

ing future job prospects."

to make further cuts in our

Sir Derek emphasised that

the national ballot next week,

THE Banking. Insurance and Finance Union (Bifu) yesterday decided to submit a 15 per cent pay claim in the politicallysensitive national negotiations for clerical staff in the English clearing banks.

Bifu and its non TUC affifiated rival, the Clearing Bank Union (CEU) will present separate claims formally to the Federation of London Clearing Bank Employers tomorrow. The CBU will set a figure in the morning.

The talks cover clerical grades one to four and the minimum managerial salary. Bifu represents some 70,000 orangers and clerks in Barclays, National Westminster, Lloyds, Midland, and Williams and Glyn's-or roughly a third date is April 1.

The unions are aware that they face difficult negotiations. The bank chairmen will also meet tomorrow, and are likely ment. The federated

Last year, the banks settled at 10 per cent after aiming at single figures. However, they will draw strength from having settled a couple of points below the inflation rate despite a campaign of industrial action by

a poor state. Although there has been no

with industrial customers by paying increases substantially higher than those elsewhere in the private sector. The banks will also want to keep a tight ment. The federation will hold on their own staff costs.
respond to the claim on January
Rifu's claim contains a los

Bifu's claim contains a low pay element which would raise the minimum for a grade one clerk at the age of 21 from 13.238 to £4.160, or £80 a week. Other rates would have to be tapered accordingly. This means that the cost of the claim to employers, if paid in full, would Bifu, which has left the union's be more than the general 15 per relations with the federation in cent claim.

Mr Leif Mills, Bifu's general repeat of last year's exhorta- secretary, yesterday defended tlons from the Prime Minister the union's claim on the

of the staff. The settlement and the CBI, the banks would grounds of the cost of living date is April 1.

He expected November's 12 per cent yearly rate of retail price inflation to rise further. He also drew attention to the 15.6 per cent rate of increase in the tax and price index.

Barclays, NatWest, Lloyds and William and Glyn's bad together made half-year profits of £765m, Mr Mills said. He expected their full-year profits to total more than £1.5bn.

The minimum for a grade two clerical worker is £3,255 at age 18, rising to a standard maximum of £4,872. The grade three range is £4,604-£6.006, and grade four £5,449-£6,936. The minimum managerial salary

TUC action

criticised over-U.S. fire tour

Greater Loudon Council leader, MR ATAN WRIGHT, chairman wasting thousands of pounds of more black people into the Lon- suited on the issue.

The three-week tour of Coun- Wright's main differences are Bullers, the brigade's chief officer and two other brigade officials will cost £1,750 a head. Mr Turney is chairman of the GLC's Public Services and Fire Brigade's Committee.

areas of the public services to John, be integrated in the U.S.

When Labour gained power and o

tive councillor, said: "This is an suggested that Mr James Prior, incredible waste of money, the Secretary of State, should They are swanning off across intervene and work out a settle-the U.S. to find out information ment. Mr Harold McCusker they could get just around the (Armagh) said the situation

Ken Livingstone | Police Federation chief may be urged to stay

BY BRENDAN KEENAN IN BELFAST

chief constable, but with some members of his own central committee. Mr Wright refused to

elaborate on his resignation Mr Livingstone sald: There statement saying be is now an is a lot we can learn from the ordinary constable. He said be experience in America. The fire had the utmost personal respect brigade was one of the last and professional regard for Sir

"I cannot permit his name "When Labour gained power and office to be spllied by last year, only 10 of the brippeople who do not have the gade's 7,000 men were interests of the RUC at heart."

Office to be spllied by the gade's 7,000 men were interests of the RUC at heart."

Mr Peter Black, a Conserva One imionist MP has was disastrous :

Salem insurers to challenge ruling

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

THE SAGA of the Salem, the tonnes of crude oil had been tanker scuttled off the West lost es a result of a peril African coast after secretly disagainst which its owners, Shell

charging its cargo in South

Charging its cargo in South

Petroleum International had

Africa, will return to the courts

when the new law term begins

on January 11

Lloyd's underwriters had

argued that the loss had resulted

The insurers of the cargo from a fraud not covered by the

will challenge in the Ceurt of insurance.

Appeal a Commercial Court The appeal is being expedited

ruling last April that the 196,231 because of the worldwide impli-

Although the central comof the Northern Ireland Police mittee of the Federation said it Federation, may be urged to was appalled that the minutes ratepayers' money on a U.S. reconsider his decision to resign, of its November meeting had tour to find ways of recruiting. The membership may be con-fallen into the hands of the Rev Jan Paisley, two members It is now clear that Mr to bave voted against a motion

> seems, is what prompted Mr His main aim bas been to keep the Federation out of politics, even during difficult periods like the bunger strike. He shares the Chief Constable's objective of trying to make the

RUC acceptable to both communities. The controversy has already caused damage because various Republican spokesmen have cited the row as evidence that the RUC has been infiltrated by

cations, of the case. It is felt

that, until there has been a final

The final ruling will be made

by the House of Lords, to which

the case will go whatever the

outcome of the appeal court

hearing.

Council

Mr Paisley's supporters. There are those, however, who believe that if a majority of rank and file members were to ask Mr Wright to reconsider, the result would be to strengthen Sir John's position

Zeehrugge routes making 165 crewmen and 48 officers redundant. The company wants to replace mative vessel. The National Union of Sea

ruling by the courts, uncertainty will persist about the llabilities faced by marine break' cut Financial Times Reporter

Anstin Morris has given the nnion at the assembly plant five days' notice of its intention to redoce relief times by 10 minutes each day. Shop stewards there who

Mr Bobby Fryer, senior

Union, refused to comment on the form of resistance. not be a strike. Unlike Longbridge, Austin Morris is nol seeking any tightening of work standards.

The unions feel, however. that they have already contributed to increased efficiency by helping BL to achieve a 30 per cent improvement in productivity in its car factories. The Cowley proposals also

means that nearly 70 people who work as relief men will move to other jobs. .

Gibraltar trip

ings with a delegation of colony's unions on plans to close the naval dockyards there.

Militants embarrass rail union

the National Union of Railwaymen, meets for the first time today and is faced with industrial disruption by the train drivers' union, Aslef, and an embarrassing internal political wrangle.

The 26 NUR executive members are elected for a threeyear period, and the August elections brought 10 new members. The executive, however, will not have to respond imme-

diately to either issue. Closer to home is the re-ziring this week of the unioo's diffi-culties with NUR supporters of the Labour Party's Militant Tendency, which first emerged at the union's annual general meeting last summer at St Andrews in Scotland.

In the NUR, Militant has a formidable opponent to Mr Sld Weighell, the general secretary, who ended last year's political report with a sharp amack on Military supporters and their determination to convert the Labour Party into a Bolshevikstyle organisation paving the

way to physical confrontation on the streets". Mr Weighell's opposition has been evidenced externally by reneatedly raising within the Labour Party the question of the re-introduction of the list of proscribed organisations, and internally by taking action against Militant supporters for the distribution of unofficial literature.

NUR left-wingers - some of them not Militant supporters— who have borne the brunt of the inquiry set up to investigate branch complaints about the circulation of such literature have complained of a "vendetta" against them. The inquiry-a suh-committee

infiltration of Militant into the response of the five named

Many executive members would like to see the issue quietly dropped, and some helieve Mr Weighell's pursuit of Militant supporters has gone

too far. However, it is unlikely that the issue will just go away. This is because Militant tends to be

Philip Bassett looks at the way the

NUR leadership is facing two vital issues

relentless in its efforts to influence policy, and because of the nublicity given to the issue. It seems unlikely that branches will fail to raise the executive's bandling of the issue at this

year's annual meeting It is also thought likely that Militant supporters may try at the conference to put into practice the programme for changes in the union. NUR rules say the annual meeting can change the rules only once very three years - and it is thought significant in the union that Militant opened its campaign last year in time for the 1982 rules

revision year.

five NUR members, mentioned in the inquiry's report, for the circulation of literature is notional — a £5 fine, though it is likely that a rule change at this year's conference will increase that to £10. "Persistent" breach of rule 10 section 10 on the circulation of literature, leaves the member open may well mean his efforts to expulsion, but the placatory against its supporters will need of the union's executive — pro-duced a report on the alleged to expulsion, but the placatory

Disciplinary action against

THE NEW executive committee union, which was eventually members to the inquiry makes of British Rail's largest union, rejected 17 to 7 by the executive. such action unlikely.

The inquiry was set in motion after Md Weighell issued a confidential circular last year calling for further information on literature seeking to influence NUR policy which was " entirely unauthorised." Mr Weighell was particularly

annoyed at Militant staging a public meeting at the conference in a St Andrews' botel, even though it was poorly attended, and at the distribution at the conference of a Militant pampblet on the union: A Fighting Programme for the This and other Milltant

literature calls for radical changes in the structure of the nnion, which it says democratising in several important areas to make it more accountable to the membership. It suggests the re-election of all full-time officials every three or five years "with the provision that the members may recall and replace where necessary productivity. those officials who become out of touch with the shop floor."
Officials should receive only the average industrial wage plus

necessary expenses. Militant calls for a rejection of BR's corporate plan, no joh losses, a rejection of incomes policy, an ESO minimum wage, an immediate 35-hour week and a rejection of all productivity

executive have reduced the influence of the left in the NUR, and have probably robbed it of the majority it was able to The executive will probably

The elections for the new

he more ready than the old one to support Mr Weighelland the intractability of Militant all possible executive support.

awaited on Aslef ban

By Philip Bassett and Lynton McLain

BRITISH RAIL and leaders of Aslef, the train drivers' union, are awaiting formal TUC intervention in their pay and productivity dispute following informal soundings made by Mr Len Murray, TUC general secretary. Mr Murray maintained contact with both sides vesterday after a late-night meeting with

Sir Peter Parker, BR chairman, and Mr Cliff Rose, BR board member for industrial relations. He was careful mainly to inform himself fully of the said he had not put forward any proposals for resolving the dispute. This centres on BR's refusal to pay train drivers the year's 11 per cent deal because

progress Southern Region suffered most from the Aslef ban on overtime and rest-day working, with 39 morning services cancelled vesterday and at least 14

in the evening.

Eastern Region services were disrupted by a separate dispute involving Aslet drivers in Edinburgh. This caused a number of cancellations and forced two-thirds of normal Inter-city services to Edinburgh to halt at Newcastle.

BR said yesterday it lost an estimated £60m last year com-pared with a loss of £76.9m in ment grants totalling £754.7m for 1981. 1980. It comes after govern-

The grant was raised by £110.4m to compensate for the senger revenue. Without the increase, BR expected to end this year with a deficit of £140m.

This announcement appears as a matter of record only November 1981



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£7m home defence order for Pye

CONTRACTS

on January 11.

communications system. WASHINGTON, D.C. A Renaissance of Graciousness

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meant the nation has relled on a system designed for a peacetime command structure. Codenamed Mould, the new

project will provide mobile, single channel, all-informed, radio command and control systems for each of the home defence regions. The com-mander of each region will be able to talk directly to the forces under his command from his headquarters, trespective of whether those forces are still in their barracks or deployed to operational areas.

authorities, police and fire

The user will have radio equipment which can be used as a desk-top, a mobile or a portable station Installation has begun and the first home defence been completed. Other regions wind forces experienced in the will be handed over throughout 1982 and 1983.

Work has commenced on four duced by AB Cranes, available contracts totalling over 22m, from 3 tonnes upwards.

Pye Telecommunications has Military communications in the awarded to the Plymouth-based won a Ministry of Defence UK have depended on telephones firm. CARKEEK BUILDING contract, valued at 17m, to up and telegraph circuits rented contract the UK's home defence from British Telecom, which has worth \$874,000, is the new meant the nation has relied as Magistrates Courts complex at Bodmin, Curuwall. The other contracts include a £478,000 post graduate centre at the Royal Cornwall Hospital (Treliske) Truro: a £460,000 development at Whitleigh, Plymouth, of flats and bungalows for Devon and Cornwall Housing Association, and 18

dwellings for Torbay Borough

AB CRANES, Telford, Shropshire, has won its first Ministry of Defence contract—an order The communications system is for 6 tonnes electric level luffing similar to that used by local travelling dockside jih crane. This is to be supplied to the naval base, Portland, for general dockside service work and has special microprocessor control on the boist, slew and luff motions. The crane was also designed to region, which covers London, has cope with the stronger than usual

area. This is the first of a new

range of jib cranes being intro-

Dispute hits ferries at Newhaven

By tvo Dawnay, Labour Staff THE OCCUPATION of Sealink

UK's Newhaven-Dieppe ferry. the Seniac, continued yesterday halting all passenger and vehicle ferry services between the two ports.
More than 50 seamen began

a sit-in on the 5,590 ton ship on Monday night after the company announced that continuing losses exceeding £1 this year will force it to close the service with more than 200 redundancies at the end of this month. Crewmen want the decision to close the service postponed

condemning political interfer-ence in RUC affairs. This, it take place with Scalink's French to allow further regotiations to partners, SNCF. However, the company said last night that it was numble

to persuade SNGF, which owns two-thirds of the service, to make any hig alterations Industrial action is also threatened at Harwich where Sealink is in talks with the seamen's umous over proposals to withdraw two ferries operating on the Hook of Holland and

the 3.294-ton Essex and the-3.004 ton Norfolk with a single alter-

men said it was concerned and would do its best to save all the threatened jobs. No deadline has been set for the withdrawal of the vessels and talks are due to resume Monday.

Cowley men

COWLEY is facing a version of the "tea hreak" row which cost BL £100m at Longhridge.

have already decided to reject the changes are to meet today to decide their tactics,

shop steward for the Trans-port and General Workers' But he hinted that it would

SENIOR OFFICIALS of the Fransport and General Workers' Union will fly to Gibraltar on Friday to report that the UK Government has not yet responded to a request for meet-

...

FT COMMERCIAL LAW REPORTS

Digest of cases reported in Michaelmas Term

FROM NOVEMBER 27 TO DECEMBER 23 1981

Hatteras Shipping Company Inc. from the arbitration sward (FT. November 27)

into repair at Las Palmas, the repairers took approximately with the same event. three months longer to complete than was anticipated by their contract, which specified that for every day beyood the agreed time, the repairers would have to pay a sum to the shipowners. However, Mr Justice Staughton held that as the ship-owners were in part responsible for the delay, they could not claim liquidated damages.

The Tesaba (FT, December I) The salvors of the Tesaba alleged that after they bad rescued the ship and its cargo off the coast of Salonica, the shipowners failed to ahide by the terms of the ealvage agreement. terms of the earwage agreement. They sought the arrest of the ship, but Mr Justice Sheen would do well to take note of the refused to extend the jurisdiction of the Admiraty Court to them. The claim, he said, was one for damages for breach of an agreement that errors after the agreement that arose after the lvage operation was completed. Furthermore, any claim to the cargo was one of hen only, and the dispute had not resulted (rom a "carriage of goods by sea" under section 1(1) of the Administration of Justice Act

Regina v Natlunal Dock Labour Board, Ex parte British Transport Docks Board (FT, December 2) .

In a labour dispute, a national board that administered an employment scheme in Britain's docks decided that the British Transport Docks Board, an employer of dockworkers, bad wroogly dismissed its men. The employer's argument when put before the board, was based on one particular point, but the board reached its decision by way of a different point. On a ototion by the entployer to set aside the National Board's decision, Mr Justice Forbes held that as an administrative body it had a duty to act fairly, but was under no obligation to hear the employer's argument on a point which was not in its mind when originally put Its views forward.

International Sea Tackers Inc of Liberia v Hemisphere Sbip-plug Co. Ltd. of Hung Kung (FT.

The guidelines laid down in the Nema for granting leave to appeal against arbitral awards were put to the test. The "oneevent in this case was the Gulf War, while the problem of its general applicability was clear more than 60 ships were trapped by the outbreak of fight-An Incontrovertible date on which their charter parties could be regarded as frustrated was of In the erucial importance. interests of legal certainty, Lord ate share of the funds. The finished fourth behind Lasko

Astilleros Canarios SA v Cape Denning said, leave to appeal should be granted so that an When the Cape Hatteras authoritative decision might be damaged its crankshaft and put given as to the frustration date, binding on all arbitrators dealing

Inland Revenue Commissioners v Burmah Oil (FT, December 8)

The Law Lords, reconfirmed that the attitude of the courts towards tax evoidance schemes had undergone a marked change. The kind of scheme to which they were referring was one in which a mastermind manipulated a series of transactions between wholly artificial, mindless entities. Where these transactions fulfilled statutory requirements hut served no real commercial purpose, the courts would now look solely at the end result. The husiness community and their advisers, Lord Scarman warned,

The House of Lords held that an ACAS officer had fulfilled his duty under the Employment Acts to promote a settlement by taking action "applicable to the circumstances of the particular case. He came to a meeting hetween the employers and Mr Moore who had just resigned at their behest. Mr Moore wrote out a letter of resignation while the officer made out a form in "full and and final settlement of all claims." Moore in signing this, excluded his right to complain to an industrial tribunal, and the officer, in explaining its effect, had done what was required to "promote a seltlement." In Re Stewarts (Brixton) Ltd

(FT. December 11) The commonly held view that only a minority shareholder can claim relief from "oppressive conduct" under section 210 of the Companies Act 1948 was dis-nelled by Mr Justice Vinelott. In this case the two co-directors owned exactly the same number of shares. None the less, the one director could be regarded as having had a dominant nosttion, and he used that position to channel work and materials into a new company that he had His co-director was entitled to petition for a sale of the shares, the judge held, without having to resort to windingup proceedings

Petroleum Ltd Roberts Kenny Ltd (FT, Bernard December 15) The Court of Anneal reviewed a conflict between two well-established principles of law. namely (1) that a judgment

creditor is entitled to enforce his deht: and (2) that un-

secured creditors ought gener-

ally to he treated equally and to receive the same proportion-

court held that where a debtor is irretrievably insolvent and B charging order alsi is obtained against bis property by one creditor, against whom no allegation of trickery is made, then the order should generally be made absolute unless the main hody of creditors bave already up a viable scheme of

arrangement. Laertis Shipping Corporation v Exportadora Espanola de Cementos Portland SA (FT, December

A phrase in a contract, providing for arbitration "in the customery manner." was conin the sidered by Mr Justice Bingham. who held that a court ought not to import legal notions of custom into its meaning. It was intended to refer to the way things were usually done. The evidence showed that the most usual way was for each party to appoint an arbitrator, and for those arbitrators to appoint an umpire.

Marina Shipping Ltd v Laughton and Another (FT, December 18) A hlacking action by officials of the International Transport Workers Federation against a Maltese shin was daclared unlawful in the Court of Appeal.
The court held that for such secondary action to he lawful under the Employment Act 1980. a contract would have to exist between the shipnwhers and the port authority supplying the services. No such contract had

been entered into by the owners. or by the ship's master on their

behalf. Z Ltd v A-Z and Another (FT, December 22)

The Court of Appeal issued guidelines for banks and other inoocent third parties as to their position when served with notice of a "Marevs" injunction requiring them to "freeze" a defendant's assets within their control. The court also beld that the purpose of a Mareva injunction was ant only to prevent a party to proceedings from removing assets from the juris-diction, but also in prevent him from dissipating assets within the jurisdiction.

New Zealand Government Pro perty Corp v HM and S Ltd (FT, December 23)

business tenant who remained in possession of leased premises as a tenant after his original lease expired or was surrendered did not lose his right to remove tenant's fixtures when be eventually moved out. The Court of Appeal said that that was the correct rule, and contrary statements in texthooks were wrone. Tenant's fixtures were therefore not to be taken into account as part of the demised premises for the nurof assessine the open market rental value.

The law rangets will recommende the Hilary term on Friday, January B.

By Aviva Golden

RACING BY DOMINIC WIGAN

FEW HURDLERS are capable of lasting more than 21 miles in a tritly run rare in testing conditions. For this reason the discerning backer could be in for a profitable time, given a resumption of racing this after-

At the only possible fixture, Towcesler, it will probably be safe to ignore all but those with lift this afternoon's modest proven stamloa in the two divisions of the two-mila, five farlong Longwater Novices Hurdle.

In the opening division at 1 om, the most appealing candidate is, surely. Late Night Extra. A mood second in the mud behind Alten Glazed in a National Hunt flat race at Worrester last season. Late Night Extra was running as well as any in similar conditions at the end of Newbury's meeting two-mile Speen Novices Hordle towards the end of November. Not seen since then when he

Floko, Late Night Extra will prove the one they all have to beat over this far longer trip. In the other division Sonny May is sure to start favourite

and he, too, is unlikely to be fmind wenting on the score of stamina. A proven stayer in Ireland before inining Josh Gifford's prolific Findon establishment, Sonny May was running on in determined style at the end of a 24-runner event over two miles woo by My Bonnie Prince at Cheltenham in the autumn. Sonny May should prize without much fuss before going on to bettar things.

Now that the novices chase, the two-mile Waterhall, has had to be eplit, the "value het from the two divisions looks to he an ex-French trained pros pect in Kalkashanndi.

TOWCESTER 12.30—Gerby

1.00-Late Night Extra** 1.30-Kalkasbanndi** 2.00-Gay Invader 2.30-Supreme Vista 3.00--Aldo

3.30-Sonny May*

TELEVISION

Chris Dunkley: Tonight's Choice 10.55 am Songs of Praise from Peterbead, Scotland. †11.30 King Since ITV offers This Is Your Life, a soap npera, Benny of the Rocket Men. 11.40 The Hill, a secondband American import, the news, two secondhand Hardy Boys and Nancy Drew American imports and Close, and BBC-1 does scarcely any better Mysteries, 12.30 pm News After with a mediocre oddoall war movie (Hannibal Brooks), the news, and Sportsnight which looks just like ITV on Saturday Noon. 1.00 Pebble Mill at One. 1.45 Postman Pat. 2.00 "The Intelligence Men." starring Eric afternoons (tennis, American fontball and darts), Parkinson and a repest, tonight's choice is even more clearly than usnal Morecembe and Ernie Wiss. 3.40 Play It Safe! 3.53 Regional News for England (except London).

This also opens with a repeat, but one that is particularly worthwhile: Joey, the 1974 "Horizon" programme which first brought to wide public attention the story of Joey Deacon, the man who died last month after spending virtually his entire life in an institution. He stayed 13 years in hospital before meeting someone who could understand him: another patient named Erme Roberts. With the help of two nthers they laboriously wrote out Joey's life story and later Brian Gibson comoined drama and documentary to make that story one of the most moving programmes ever transmitted.

One Hundred Great Paintings moves on to the new theme of processions, starting with a Canaletto from The Queen's collection. The second of the Maestro series is devoted to Barry John who remembers the great days of Weish rugby 10 years ago. And Dancing Girls follows the fortunes of "Sponooch," a group which split off from Hot Gossip.

BBC 2

10.20 am Gbarbar. 11.00 Play School. 3.55 pm Landscapes of Britain. 4.20 Vikings!

Sainay Millet. 1.45 Pans by Night, 12.10 am Epilogua lollowed by News and Weather in French.

GRAMPIAN

GRANADA

11.00 am Sesamo Stoet 1.20 pm Glanada Reports 2.00 Livo Irom Two. 5.15 Private Senjamin. 6.00 Glanada Recerts. 5.25 This is Your Right. 11.20 In Concert: Kriz Kristofferson and Anne

HTY

- 10.30 Michael Parkinson and his 4.50 Tigris. 75.40 Undersea Kingdom.
 - 6.00 Life on Earth. 6.55 News Summary.

8.15 One Hundred Great Paint-

8.25 Maestro. 9.00 M*A*S*H. 9.25 Dancing Girls.

10.15 Grapevins. 10.45-11.35 Newsnight.

† Indicates programme in black and white

11.20 Sugar Ray Robinson: Pound For Pound. 12.20 am Close: "Sit Up and Listen" with Steve Race.

LONDON

9.30 am Schools Programmes

11.00 "Francesca Baby," Starring Carol Jones. 11.50 Barney Google

and Snuffy Smith. 12.00 The

Munch Bunch, 12.10 am Rainbow.

12.30 Play It Again. 1.00 News, plus AT Index. 1.20 Thames News with Robin Houston. 1.30

Take the High Road. 2.09 After

Noon Plus (THS) presented by Mary Parkinson with Kay Avila

2,45 The Kilnsey Show (Film of

the Kilnsey Show that has been held during the Angust Bank

Holiday every year since 1897).

3.45 About Britain. 4.15 Danger.

mouse. 4.20 Madabout, 4.45

Arthur of the Britons. 5.15 Mr

6.25 Help! with Viv Taylor

7.00 This Is Your Life:

8.00 The Benny Hill Show 9.00 Best Sellers: Rock Hud-

10.30 Best Sellers: "The Star

Maker" (continued).

son and Brenda Vaccaro

in "The Star Maker," Part

Merlio.

5.45 News.

16.00 Naws.

6.00 Thames

Gee:

6.35 Crossroads.

7.30 Coronation Street

" Angel."

All IBA Regions as Lendon except at the following times:

BBC 1

3.55 Play School. 4.20 Laurel and

Take Hart. 5.0 Newsround. 5.05

The Story of the Treasure Seekers. 5.35 The Amazing

6.00 Regional News Magazines.

6.50 Rolf Harris' Cartoon Time

7.20 The Wednesday Film. "Hannibal Brooks." star

(London and South East

ring Oliver Reed and Michael J. Pollard.

American Football from

Pasadena: Darts.

midweek guests.

11.30 Now Get Out of That.

11.28 Newe Headlines.

Herdy. 4.25 Jackanory

Adventures of Morph.

6.25 Nationwide.

only).

9.25 Sportsnight:

5.40 News.

B.25 am Fue: Thing. 11.00 Gesame Street. 1.20 pm North News. 6.15 Private Benjamir. 6.00 North Tonight and Area Waarhar Forecast, 12.20 am North Headlines. 11.00 am Thunderbirds. 11.50 Wattoo. Wattoo. 120 om Anglia News. 5.15 Haopy Oava. 5.00 About Anglia. 11.15 The London Programme—Young Down The London Programme—Young and Outs. 11.55 The Big Queet BORDER

11.00 am Saaame Stiect. 1.20 pm Border News. S.15 Out of Town, 8.00 Lookeround Wedneaday, 11.15 Hear. Heer, 11.30 Border News Summary. CENTRAL

11.00 am Something Officient. 11.1S The Story of Max and Moritz. 1.20 pm Centrel News, 5.15 Officent Stockes, 6.00 Clossroade, 5.25 Central Rews. 11.1S Nana Mouskouri in Concert.

CHANNEL

1,20 gm Channel News, What's On Whose and Weather, 5,20 Crossroads, 5,00 Channel Report, 8,30 Bailey's Bird, 10,28 Channel Late News, 11,15

11.00 am Sesame Streat, 1.20 pm HTV News, S.10 Ask Oacarl 5.20 Croasroads, S.00 HTV News, S.30 Octintion, 10.25 HTV News, 11.15

Sia: Parada. HTV Cymru/Wales—Aa HTV Wast axeeu: 12.00-12.10 pm Flaiabalam, 4.15 Y Rheilfordd Guid, 4.45 Our Inciadibla World, S.10-6.20 Oick Tracy, 5.00 Y

Oydd. 6.15-6.30 Ragort Walst. SCOTTISH

SCOTTISH

11.00 am The Amezing Years of Cinema. 11.25 Land of Birds. 11.50 Bubbles. 1.20 pm Scottish News Heedlines and Roed and Weather Reont. 1.30 Farmhouss Kirchen. 5.15 Pst Subject. 5.26 Crossroads. 8.00 Scotland Today. 5.20 Action Line. 5.30 Vish You Wars Hars. 11.20 Late Call. 11.25 In Concert—Char.

TSW

11.00 am Spread Your Wings. 11.30
Call It Macaroni. 11 56 Watton, Wetton.
1.20 pm 15W Newa Headlines. 5.15
Gua Honsybun'a Megic Birthdays. 5.20
Crosaroada, 8.00 Today South Wast.
5.30 Scane South Weat: A Day in the
Life. 10.32 TSW Late Nawa and
Weather. 11.15 Samoy Miller, 11.45
Paris by Night. 12.10 am A Carol for
Christmas. 12.15 am South West.
Weather and Shiooing Forecast.

TVS 11.00 am Popeye Carson, 11.10 Beiley's Gird, 11.35 Abbe Words and Music. 1.20 pm TVS News. 5.15 Watch This Space. . 5.30 Count to Count. 6.00 Count to Count (cont), 11.20 Haffelujah Hollywood. TYNE TEES

9.20 am The Good Word 9.25 North East News, 11.00 Bachmen Turner Overdrive, 11.50 European Folk Tries, 1.20 North East News, 1.25 Where the Jobs Ars 5.15 Mork and Mindy, 8.00 North East News, 6.02 Crosscads, 5.25 Northern Lis. 10.30 North East News, 11.20 Pavilion Folk, 11.50 Mac of Loyala,

ULSTER

1.20 pm Lunchyms. 4.13 Unter Iswa 5.75 Hear Hare. 5.30 Good vaning Ulster 5.00 Good Evening Ileter. 10.29 Ulster Weather. 11.20

YORKSHIRE 11.00 am Story Hour. 11.55 Wattoo Wattoo. 1.26 pm Calendar Nawa. 5.15 Poyata Benjamin. 5.00 Calendar (Solley Moor and Belmont additions). 11.15

(S) Stereophonic broadcast # Medium Wave

PADIO 1
5.00 am As Radio 2, 7.00 Mike Bead,
9.00 8 mon Baies, 11.30 Cave Lee
Travis, 2.00 pm Paul Burnatt, 3.30
Steva Wright, 5.00 Peter Powell, 7.00
Radio 1 Mailbag, 8.00 Richard Skinner,
10.00-12.00 John Poel (5].

RADIO 2

RADIO 2
5.00 am Sicve Jones (5). 7.30
Terry Wogan (5). 10.00 Jimmy Ynung (S]. 12.02 pm Cricket Ousk. 12.03
John Dunn (S). 2.00 Ed Stewart (S). 4.00 Oavid Hamilton (S). S.45 News: Soort. 6.00 Oavid Symonds with Much Mora Music (S). 8.00 Alan Oall with Oance Bend Oaye. 8.30 The King's Collection (S). 9.30 Sounds of the Sun (S]. 12.02 pm Cricket Oask. 12.03
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Collection (S]. 9.00 The Folk EnterIsinera (S]. 9.30 Sounds of the Sun
(S). 2.00 Music Weekly (S). 2.50
Isinera (S). 9.30 Sounds of the Sun
(S). 2.56 Soorts Oask. 10.00 Tom
Monard Ielis Local Tales. 10.15 The
Beby Grand Song Fectory, 10.30 Be

9.00 Naws. 9.05 This Week's Compose:
Mendelsohn (S). 10.00 Ordando
(S). 11.00 Georges
(S). 11.00 Georges
(S). 11.00 om Cricket: Fourth Test, England
v India from Calcutts.

RADIO 4

6.00 am News Briefing. 3.10 Ferming
Today. 5.25 Shipping Forecast. 6.30
Today. 8.45 The Widower'by Georges
Beby Grand Song Fectory, 10.30 Be
Ua at the Big House. 7.30 Haydn and

RADIO

My Gueat eava Ian Wailace (5). 11.00
Stran Metthew with Round Midnight.
1.00 am Truckars' Hour (5). 2.00-5.00
You and the Night and the Music (5).

RADIO 3
G.55 am V/cather, 7.00 News. 7.05
Your Midwesk Choice (5). 8.00 News.
9.00 News. 9.05 This Week's Composei:
Mendelssohn (5). 10.00 Orlando
String Quartet (5). 11.00 Georges
Enasco pieno rectal by John Qodon

Mendelssohn orano trio rectati (5). 8.12
BBC Symphony Orchestra in Paris, orat 2: Symphony Orchestra in Paris, orat 2: Webern, Boulez (5): 8.45 Eix Continued).
10.30 Beowuif (third of six readings).
11.05 Harbina piano rectal. 12.00-13.0 am The Russian Orthodox Chost-services.

Medium Wave as VHF except 5.40-11.00 am Colcutts.

Gardenars' Question Time. 10.30 Oally Garvics. 10.45 Morming Story. 11.90 News. 11.05 Baker a Dozen (5). 12.00 News. 12.02 pm You and Yours. 12.27.
Around the World in 25 Years (S)
12.55 Weather, programme news. 1.05
The World at One. 1.40 The Archers.
1.55 Shipping Forecast. 2.00 News.
2.02 Woman's Hour. 3.00 News. 3.02
Alternoon Theatre. 3.50 Zoo Talka.
4.00 Elisabeth Soderstrom presents
musts on the thems of sonng (S).
4.45 Story Time. 5.00 PM; News Megazine. 5.50 Shipping Forecast. 5.55
Weather; programme news. 6.00 News.
5.30 My World (S). 7.00 News. 7.05
The Archers. 7.20 Aspects of the
Fringe. 8.00 The Two-Edgad SwordA Question of Security. 9.30 Kaleidoacopo. 9.59 Weather, 10.00 The World
Tonight (S). 10.30 Quote . Unquote
(S) 11.00 A Book at Bedtime. 11.15
The Financial World Tonight. 11.30
Unlorgertables. 12.00 News. News.. 12.02 pm You and Yours. 12.27

By Kevin Done in Frankfurt

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Energy Review: German energy policy

Spreading the risks more thinly

"FORECASTING is the art of his living standards to pay knowing weer to scratch before for the transfer of wealth that is occurring because of the bur-Federal Economics Ministry official in an aside as Around 20 per cent of the the Government revealed its recountry's exports are needed to vised energy programme re- pay for the energy import bill cently, the first comprehensive against 11 per cent in 1978 and re-statement of policy since

Having twice been caught scratching in the wrong place since the first oil crisis in 1973-1974, bowever. Bonn has learned its lesson. The country's overwhelming dependence Achilles heel of the West German economy remains, but the Government has given up its vain attempts at quantifying the Federal Republic's future energy needs.

discovered, belatedly, the fally of wandering into the minefield of energy forecasting, but it has been powerless to disguise the vulnerability which arises from the Federal Republic's need to import nearly two-thirds of its energy requirements. With a poverty of domestic natural esources the massive increase in the price of energy over the past eight raars has bitten deeply into the country'e

Last year as much as 5 per cent of West Germany's gross

Energy accounted for 23 per cent of all imports

national product will have had to have been spent on net ergy imports compared with 4.3 per cent in 1980. 3.4 per cent in 1979, 2.4 per cent in 1978 and only 1 per cent in 1972. The net energy import bill to have risen to around DM Tabn (more than 1981 against DM 64.6bn in 1980. In 1978 the bill for energy imports (net) totalled DM 31bn and in 1972 it amounted to only DM

A surplus of DM 18.5hn on the current account in 1978 was transformed into a deficir of nearly DM 30bn in 1980 - there was a deficit of DM 23.4hn in the first 10 months of 1981. According to the Bundesbank, the West German central bank, blame for more than ball of the "swing of DM 48bn between 1978 and 1980 can be placed at the door of higher energy prices. West Germany lives largely

on its ability to export menufactured goods. Today the workforce that produces those goods is having to accept a lowering

den of higher energy prices. against 11 per cept in 1978 and only 6 per cent in 1972.

Energy imports in 1980 cost DM 7/bn-offset by energy exports of less than DM 13bn -and the cost of imported energy was expected to rise to some DM 90bn last year, despite a significant cut in volumes. Energy accounted for 23 per cent of all West Germany imports in 1980 compared with only 9.5 per cent in 1972.

Since the first oil crisis Bonn has given a clear priority in its energy golicy-making to reducing the dangerous dominance of oil in the economy. At the same strongly and at considerable expense to expanding the role of coal-especially domestic coal -and to cutting energy waste through encouraging investment in energy conservation and in measures to ensure the more efficient use of fuels.

These polices—pursed steadfastly chough since 1974-have heen accompanied by an often wavering commitment to nuclear The credibility of the whole policy edifice has been undermined and the Government's real commitment to cutting oil imports thrown into doubt by ite uncertain bandling

The stumbling in Bonn has been thrown into a particularly sharp light by the success of reighbouring France in pursuing the nuclear alternative The anti-nuclear opposition in

the Federal Republic has lost none of its force-witness only the violent clashes at the construction site of the Brokdorf nuclear power station in northern Germany last year-but Bonn has clearly decided that the time has come to start steering the country firmly hack on the nuclear track. The delays of the last six years will never be made up, but at least the much slower than expected growth in energy demand has reduced the penalty for pro-

The Government's revamped energy policy is in many respects merely the old mixture as before, but not on the nuclear issue. The language is couched with care so as not further to arouse the antinuclear lobbies in the parties of the ruling Social Democrat. Free Democrat coalition. The passages on nuclear energy were changed most often before policy document received Gabinet approval-but the new commitment to nuclear power

Gone is the formulation of

SOURCES OF WEST GERMAN ENERGY 1973 million tonnes % share of coal equivalent total energy DOMESTIC 74.7 66.5 19.7 37.3 31.7 8.3 Natural gas 21.9 19.9 5.8 9.6 6.8 2.5 6.4 7.7 7.8 144.3 138.2 Total domestic 38.1 IMPORTS 199.3 178.7 52.7 Natural gas 16.6 44,4 4.4 3.9 14.4 1.0 9.5 Coal 10.7 2.5 4.9 3.8 1.3 Total imports 234.2 252.0 67.9

the last energy programme which spoke only of a "limited expansion of nuclear energy ... if the means of reprocessing and waste disposal are adequately safeguarded." There is also no trace of FDP and SPD party conference resolutions which an the late 1970s bound the parties to allotting to nuclear energy no more than the role of meeting "residual demand," and which asserted opened of abandoning nuclear energy altogether.

The Government's newly discovered zeal for the nuclear cause appears to derive from its growing concern that the competitiveness of German industry could be audangered if power prices in the Federal Republic rise way above levels in neighbouring countries.

Companies in the energyintensive chemicals sector, one of the main pillars of German industry, have already complained that they are forced to pay 25 per cent more for electricity than their rivals in Bonn's revised energy programme admits that "a larger

constribution from fevourablypriced nuclear power would strengthen the competitiveness of German industry. . . The present contribution of nuclear power as well as planning and building lead-times do not meet the demands of energy and industrial policy. . . . There are clearly fewer base-load power stations available today for generating power at favourable costs around the clock than are necessary in the interests of holding power prices at Inter-

is unmistakabie. nationally competitive levels." The Economics Ministry esti-

17.4 2.7 1.0 378.5 390.2 100.0 100.D Source: West German Coal Industry Federation

mates that there is a shortage of as much as 9,000 MW of base-load capacity. virtually no potential for exof the other two pansion sources of base-load power, lignite and hydro - electricity, which appears to leave little alternative to building more nuclear power stations. The Government has refused to set any formal targets, having been proved so wrong in the past. In 1974, when it first

> programme in the wake of the oil crisie, it worked out itself all the estimates for future energy supply and demand. By 1977 and the second update, it had been sufficiently chastened to hand the main providing only a base with its its own broad assumptions for

set about revising ita energy

stitutes an entirely free hand, loudly disclaiming all rights to aulhorship of the forecasts that accompany its policy document. In its first revised energy programme, published in 1974. Bonn was sufficiently foolbardy to set the amhitious target of having 45-50,000 MW (megaof nuclear power installed by That programme has been thrown hopelessly off course and the hest that can be hoped for by 1985 is an installed capacity of

responsibility and gave the in-

capacity in operation, generating around 13 per cent of the country's power needs and accounting in the first nine months of 1981 for 4.8 per cent years at current production them a little more thinly.

under way since 1977. The authorities and the nuclear industry still face con-

siderable obstacles in completing this programme and in pushing through projects in other parts of the nuclear fuel cycle. A site is still to be found for the country's first plant for reprocessing spent nuclear fuel, permission is still to be given for the building of the first interim storage site for nuclear waste, and the DM 8.4hn advanced reactor development programme involving the construction of the controversial fast breeder and high temperature reactors is threatening to grind to a halt through shortage of finance arising from massive delays and a horrendous escalation of costs.

Tha nuclear programme is certainly not out of the wood yet, and it remains to be seen if recent executive moves to streamline the regulatory procedure will have any practical impact on building times, but Chancellor Helmut Schmidt can certainly claim that the Government's support for the expansion of nuctear power is now. unequivocal. Bonn can claim success, too, on other important parts of the energy front.

fuels, chiefly coal and gas, progress in energy saving and weak economic activity has helped to push back the share of oil in iotal primary energy consumption to around 45 per cent last energy forecasting job to a year compared with 47.6 per group of economic institutes, cent in 1980 and a peak of 55.2 per cent in 1973. Oll consumption was down by about 13 per future economic growth. This cent last year, and the volume time Bonn shied even at this of crude oil imports has fallen by 19 per cent. (Higher prices still ensured a 13 per cent rise : will jump from around 17 per in the crude nil import bill to DM 41.25bn in the first 10 months of 1981, however.)

West Germany has also managed to break the old matching link between economic growth and growth in energy demand. From 1973 to 1980 primary energy consumption increased by only 3.1 per cent, while the Federal Republic's GNP grew in real terms by 17.5 per cent.

West Germany has succeeded. West Germany currently has too, in halting the apparently some 9,000 MW of nuclear irreversible decline in the out-(Proven reserves of coal at more

of primary energy requirements. rates.) Restoring the industry's A further 11,200 MW of capacity fortunes is proving a costly is under construction and work process, however-the fall in output was airrested in 1979, the on another 1300 MW reactor et end of a long decline since the Wyhl near the French border mld-1950s, and production has has been stopped by the local stabilised at around 90m tonnes 17.1 utilities pending the outcome of of coal equivalent (tce)—but 9.5 court hearings that have been the idnustry swallowed DM 6.3bm in state financial aid in 1980.

The tightening squeeze on public expenditure can bardly allow continuing support on this acale and investment subsidies. already bave been chopped to only DM 150m in this year's faderal budget compared with a level of around DM 800m in the late 1970s. .The industry has warned recently that aid at this level will jeopardise its ambitious plans for pushing production back up to around 100m tce a year by the end of the century.

The door was opened last year, however, to a gradual increase in coal imports, and West Germany bas also had success in diversifying its existing sources of imported energy. Tha share of tha Opec (Organisation of Petroleum Exporting Countries) states in West German crude nil imports has been cut to around 73 per cent compared with 96 per cent in

Open to political blackmail Substitution through other from Moscow

1973, with North Sea oil now meeting 20 per cent of supplies. The signing of the controversial new natural gas supply contract with the Soviet Union last November is also seen by Bonn as a further diversification of its overall energy supplies. The share of Russian gas in the country's consumption cent to some 30 per cent by the late 1980s, but the share in total energy demand will increase only from 3 per cent to just under 6 per cent. (The Soviet Union also currently supplies about 50 per cent of West Germany's uranium enrichment services end about 3 per cent of its crude oil needs.) The opposition to the deal

aroused in the U.S. because of the militery takeover in Poland and fears of Bonn being laid open to political bleckmail from scow is a graphic reminder of how exposed the jugular vein put of coal, the only abundant of West Germany's energy domestic source of energy, supplies remains, however. Tha risks can hardly be reduced. than 24bn tonnes could last 300. Bonn can only seek to spread

THE MANAGEMENT PAGE

Why ITT finds that being big is not big enough

Ian Hargreaves, in a second article on the U.S. conglomerate, examines the prospects for its core telecommunications business

INTERNATIONAL Telephone pulled out of South African and Telegraph has a couple of Telecomms "for political big problems in its core business of telecommunications. One of

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This may seem an odd remark total group sales of \$23.9bn and in telecommunications equip-

But at is true in the sense that, unlike its major competi-- such as Sweden's Ericsson, West Germany's Siemens, Western Electric of the U.S., and Nippon Electric of Japan-ITT does not have a single market in which it can claim natural dominance.

In Europe, ITT is present in amost every to try, but usually as the number two supplier to a national competitor. Where it is number one, as in Spain and Belgium, there is always the uneasy fear that some day politics, as is happen-ing in France, will dictate that ITT be coulded of its leadership.

In the U.S., ITT has the problem of living beneath the shadow of a dominant carrier. and supplier (AT and T and its manufacturing subsidiary, Western Electric) without the compensation of running a strong second. It has under 2 per cent of the switch market, even with the husiness it hought by acquiring North Electric from United Telecommunications in 1978. In the telephone message business, which IIT entered only recently, the company is doubling in size every year, but it still has less than half a per cent of the market

And as the slow march of deregulation continues. TTT is not only up against the jugger-nauts, like AT and T, it is also being jostled by a pack of com-petitors, many of them lake MCI Communications and Rolm, young, frisky and single-minded.

Outside of the two largest lecomm markets in the world, ITT also has some problems. It recently withdraw in frustration from the Braziltan market, sell-ing ats remaining 49 per cent stake in Sesa Rio, rather than stump up the \$35m needed to : STC, long a member of the meet demands being made by elite hand of suppliers to the that breach has leapt Nippon show how it can adapt to more Electric, an old foe and a competitive forces following the pany in which FIT once had a liberalisation of the market for 15 per cent stake. ITT has also subscriber equipment.

That leads to ITT's second them is that the company is too big problem: how do you formulate one strategy to fit three quite different market positions. to make about an activity that and, moreover, how do you do in 1980 generated \$7bm of ITT's it and at the same time make sense of the broader opportuni-

> an answer end is prepared to offer thinks as to how they may or may not one day be assembled into a global strategy.

tions are clear. ITT believes it can hang on to its traditional market shares in the major European markets (30 per cent in Italy, 25 per cent in West Germany, 16 per cent in France, 65 per cent in Spain and 75 per cent in Belgium-in Britain, TTT has a share in British Telecom's rival System X switch) by selling its electronic, digital system 12-40 switch, which it is developing at a cost of over

Disjointed

However, this belief must be gauged in the light of the difficulties ITT has experienced in trying to catch up in the market for advanced electronic exchanges and which highlight vividly the problems associated with being a widely spread international group. Its efforts have been disjointed and have led to two of ITT's largest European subsidiaries becoming committed to two different systems which may well compete on the world market in future years.

this fragmentation of effort is the commitment of Standard Telephone and Cables, ITTs UK offshoot, to System X rather than ITT's own System 12. STC is one of three companies involved in the development of the system for British Telecom. The other two are General Electric Company and Plessey.

gave what is the world's largest ties created by the convergence industrial conglomerate about of telecomm and computer 9 per cent of the world market technology. At the moment, ITT does not

have an exact answer to this question. It has fragments of The firsements are:

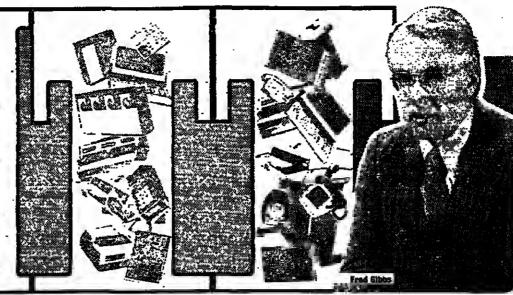
Europe. Here at least, inten-

The most striking example of development ITT's West German company, had already submitted 12-30, for an Austrian bid.

pre-tax profits

ITT

400- and Electronics Group)-



The fragmentation that has been as much in evidence in ITT's telecommunications activities as in the group as a whole has presented Fred Gihbs, head of this part of the conglomerate's siness with a number of dilemmas. The iodependence given to overseas subsidiaries, particularly io Europe, has at times resulted in product development programmes running along

The late start in advanced normal one third share of the

electronic exchanges stemmed Austrian market only if it can from the refusal of ITT's get a deal to build a Siemens get a deal to build a Siemeos engineers to accept, until five switch under liceoce. years ago, the need for a digital There is widespread agree-(rather than an analogue) approach to switch technology. ment among informed observers. The advantage of digital is however, that System 12-10 is that it breaks telephone as good a switch as any on the messages up into more accurate. market, although its special faster computer-type codes.) distributed logic feature, which permits a customer to buy system convinced them otherswitching power gradually in wise. But there was further add-on modules, has yet to prove confusion as ITT engineers on itself in terms of market appeal. each side of the Atlantic worked oo rival versions of the System 12, a duplication of effort ended in 1979 by Fred Dominant

Gfbhs, who had just been But Gibbs is confident. He forecasts that by 1986 FTT will be selling 6.24m lines a year. appointed head of the telecoms business. He cancelled the American programme, but franswhich 3.75m will he the ferred the technology it bad System 12 family. He also rejects developed-a distributed logic the argument that ITT's oumber switch—to Europe for final two role in Europe is a weakness. "For a multinational, I think it is better to be number hesitation was that by the time two than it is to be number Gibbs made the big decision, Standard Elektrik Lorenz,

He does not believe that the gradual French takeover of ITT's telecomms business in that country (the final 16 per cent is about to be nationalised) When ITT withdrew its 12-30 would have happened had ITT not been the dominant company in the early 1970s.

was too late. ITT now faces the The U.S. Here lies the big-gest question mark. ITT, through its purchase of North rather humiliating prospect of being able to maintain its

separate lines with different versions of the same product emerging and, even more extreme, the UK subsidiary committing itself to a product rivalling that developed elsewhere in the group. Now, while trying to establish greater cohesion, the telecommunications husiness is beginning to find itself more exposed to competitive forces in some traditional markets.

for a major assault on the U.S. switch market, thus providing the key to a solidly profitable hase for its other telecomm equipment sales in the U.S. cent of its European switches to third markets and will also conwhich range from telegraph poles to telephone handsets and PABXs. Essentially, 1TT has to

sell System 12 to AT and T. Today, Rand Araskog, ITT's chairman, is rery hlunt on this subject. "I don't think we are going to sell major systems to them unless there is legislation." The deregulation legislation now before the House of Representatives includes a provision to force AT and T to huy 30 per cent of its supplies from outside its own group companies. But a Senate version of the bill is silent on this subject. If ITT does not get its way. says Araskog, he considers the U.S. market "very dubious."

At present Western Electric makes 90 per cent of AT and T's switches and the other major phooe companies—apart from AT and T-like GTE, also have their own in-house supplier.

At the same time as Araskog says these things, however, his eogineers are working to upgrade a less sophisticated version of System 12, the 12-10. developed at North Electric, to

Electric, was positioning itself. North Electric's husiness 60 ner cent of which is still with its old parent, United Telecomms. Other markets: ITT will continue to export about 25 per

> tinue to form joint ventures in larger developing world markets, such as South Korea, and Taiwan. When it comes to communica-

> tions services, ITT's hase for action is ITT Worldcom, the leading U.S. international telex carrier, with 35 per cent of the That hase has already been

> expanded, as deregulation occurs, to take in inland U.S. telex services, trunk telephone services and eventually, says George Knapp, head of .Worldcom, international voice traffic. Knapp thinks that international voice (oow an AT and T monopoly) will be deregulated and that because of its already strong ties with the European telephone companies, ITT is a natural number two in this market, perhaps as a common carrier for some of the other; smaller telephone companies, such as MCI.

Worldcom, says Knapp, is also working bard on the technology connecting compatible streams of computer language 12-40 standards. Financially, and solving other problems. that cannot be justified just for This, he says, is vital to the

development of high margins are its considerable microprocommon carrier functions.

مكتامن العمل

But Worldcom, even in its dramatically expanded form, is only part of ITT's thinking about communications services.

Araskog has recently appointed Robert Braverman to head a group which is designed to draw together the strengths of Worldcom, ITT's publishing interests (which include 'phone directory yellow pages, Who's Who and other books) and its vocational training services.

Braverman sees ITT becoming a kind of communications master-contractor, building up ownership of, or access to, vast data bases and transmitting the goods to customers on ITT lines. Eventually, he says, ITT could, for example, be running the entire communications function of other companies.

TTT, says Braverman, is probably the only company in the world able to offer a mix of central office switching (main public exchange) equipment, telephone hardware, mainteoance, data bases, training and access to its own international communications network.

The obvious missing piece in all this, however, is data processing. ITT sells home computers manufactured by a West German company in Europe (it used to sell Apples, until it fell out with the Californian company) and tucked away in Europe it has a collection of companies which together form the tenth largest semiconductor business in the world. But so far, ITT has fought shy of computers and of the kind of equipment that will be needed for communications within the electronic office, downstream from the PABX, in cases where

Expertise

"We are not going to duck the data processing field out of any fear of it." says Araskog, who, in 1978, conducted a serious burnt for a manufacturer of computers. One of the com-panies he looked at, although never talked to, was Wang Laboratories. "It would take something like that to be aftractive to us as opposed to building on what we have now," he says.

What ITT has now to build on Friday.

services, as opposed to simple cessor expertise in West Germany and the UK, a new software research centre in Shelton, Connecticut, and two U.S. companies bought in 1978:

Qume and Courier. Qume makes bigh-speed printers for word processors and Courier makes video display screens for IBM.

These two companies says Araskog, are now developing long-range plans, the details of which he will not disclose, to diversify from their existing products. "At some point they will come more together, particularly in relation to the planning and software activity going on at beadquarters level," he

That is safely vague and stops well short of the acceleration into advanced electronics products which some ITT critics would like to see. But for the moment Aras

kog is playing it cautiously. He obviously wants to see the outcome of the deregulation decision. He also needs to become clearer on whether ITT will pull off a major divesti-ture, whether of the forest products division currently on the block or something else. The proceeds of such a sale would mainly be used to pay off debt, hut could also lead to a significant acquisition. Yet another finaocial possibility, says Araskog, is to float off the new Braverman group, complete with Worldcom, as a separate

company. So, ITT-watchers are left with fragmeots. Their comfort, perhaps, should he that III's caution thus far has been rewarded with a steady stream of profits (oormally a third of ITT's total) from telecommunications. Having seen the consequences

the disastrous efforts by the PABX is the nerve centre. Northern Telecom, Canada's leading manufacturer of public telecommunications equipment, to hreak into the electronic office, ITT is not about to follow suit. But there is little doubt that telecommunications, the hedrock upon which Harold Geneen built bis conglomerate. will be there at the hase of ITT for a long time to come. That is something which cannot be said with certainty for any

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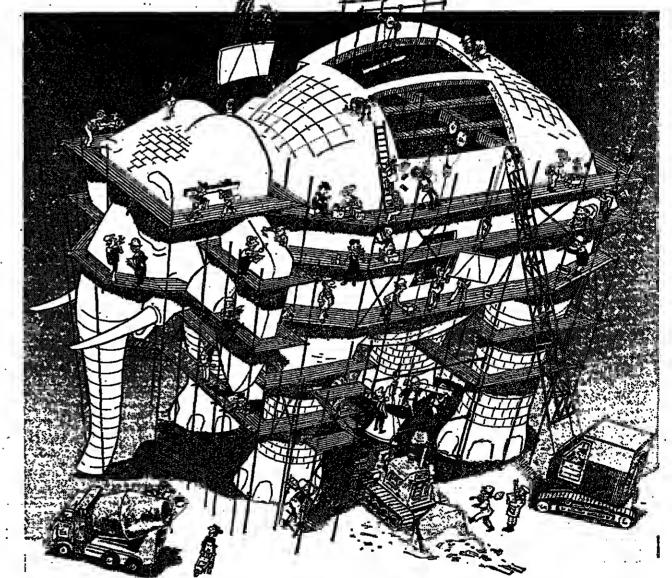
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EDITED BY ALAN CANE

'Supermicros' move in to oust business mini-computer systems

Low cost computer power for all

By LOUISE KEHOE in California

THE MINICOMPUTER - the future," in which computers supbasis of most small business microcomputers. Built around of paper passing from hand to use 16-bit microprocessors. These hand. the one-man business up to microcomputers. boards, using several dozen about five people can share a logic chips. Microcomputers, on

the other hand, are usually based on o standard microcomputer chip, such as those produced by Intel and Motorola. and require less additional circuitry. The software that makes a microcomputer run is similarly becoming standard-

Peripherals 5 Minicomputer makers have

designed their own proprietary operating systems"—programs that control the basic computer function-while microcomputer builders are chosing from one of the standard operating systems available from software

Supermicros " are beginning to make their appearance in the U.S. Some are selling to Original Equipment Manufac-turers (OEMs) who will build-the computer unit into business systems with keyboards and video screens. Others come ready for the user with all the peripherals already in place.

All of them are aimed at the still nebulous "office of tha

Floppy diskettes

posedly will increase the procomputer systems — is being ductivity of the white collarousted by a new generation of worker and reduce the amount

The supermicros all bave called, promise low cost com- several things io common that puting power for everyone from place them apart from today's departments of large companies important perbaps, is that they Minicomputers ore built out ore designed to be used by more of specially designed circuit than one person—usually up to

> microcomputers. Eight-bit immediate predecessors of 16-bit machines perform poorly when serving three or more

Taking multiple use one step further, several of the machines can be converted to networks. These networks of machines could link several microcomputers, maybe a couple of printers, and a larger computer holding a huge data base.
Sixteen-bit processors parform

more than twice as fast as the S-bit micros used in most personal computers because they can get access to twice as much data per instruction as an 8-bit machine, and because their internal storage capacity is higher. This cuts down on the number of times the system has to swap data between tha internal memory and the disc

new microprocessors are using of the chief reasons for the a new storage device called a popularity of the microcomputer The business versions of the mini-Winchester disc, a small, based multi-user 'systems is business computer market, same period she calculates,

holding vastly more data than the "floppy" discs curreotly in

"We can offer minicomputer capability at micro prices, boasts David Jackson, President of Altos, a San Jose California company that last year sold \$21m worth of small computers for business use. "Our introduction of a 16-bit machine leapfrogs the personal computer companies, like Apple and Radio Shack to take on DEC and Data General," he claims.

The Altos mocbine will sell to systems integrators for \$12,990, wheo it is equipped with 512K bytes of built in semiconductor memory and a 10m byte hard disc data store with floppy disc backup — enough to actisfy most small business requirements. Up to eight users can share the processing power of the aystem by plugging in additional ter-minals. "Most 16-bit mini-computers cost two or three times as much with the same

performance," Jackson claims. Microcomputer suppliers are clearly becoming the leaders in bringing the benefits of new technnlogy to small business and professional applications traditionally the domain of minicomputer-based small computer systems vendors," says Bob Wickham, a vice-president of Vector Graphics, another small business system vendor. According to Wickham, one

computer operating systems used in several popular percomputers (hut not sooal

Apple).

CP/M, which la sold by Digital Research, a California auftware company, has fuelled the growth of small business systems, agrees Bruce Winer, marketing development manager products at Zilos.

Impact

"It has provided a commons operating system base on which applications can be built." he says. The new version of CP/M for 16-bit machines wil lollow more than 1,000 business applications programs already available to run on more powerful microcomputers.

Another company that is Market making an impact on the business microcompoter market is Conversent Technology of Santa Clara, California. Conversent has signed marketing agreements with Borroughs and NCR which will use the Conversent microcomputers as the basis of their new ranges of small busincss systems. Three Rivers
Company of Natick, Massachusetts, has licensed Britain's
ICL to manufacture its supermicro built around a Motorola

their software compatibility Fortune Systems, a new comwith the more than 500,000 pany based in San Carlos, Cali-CP/M based single user systems fornia, will sell its first product now in use. CP/M is one of -a desktop microcomputerthe most widely used micro-through computer retail stores. The Fortune 32:16 is built around a Motorola 68000 16-bit microprocessor. The system looks much like a personal computer. But according to the company, it cao handle all the requirements of a one-man office or can be expanded or networked for larger offices.

Fortune bas adopted the UNIX operating aystem — a system designed by Bell Laba and used in aeveral minicomputer systems. The basic unit, which includes a floppy disk drive, keyboard and video display, will sell in the U.S. for under \$5.000. Extras include a Winchester disk, and extra internal memory. Software available covers the standard business applications.

Fortune and Altos are among the companies that will shake up the small husiness computer market, according to Jean Yotes, a market analyst at Goostic Concepts of California She predicts that sales of personal and desk top computers priced of under \$6,000 will total \$5bn by 1985.

The market for higher per formance mochines coating any-thing from \$6,000 up to \$60,000 (for multiple terminal installa-At the low cost end of the tions) will reach \$7ho over the



pulses carried over fibre optic 0.004 inch thick, the device bas cables rather than the conven- built-in limiting resistors to tional gate current bas been developed by General Electric curreots that can occur wben company of the U.S. and only a small region of the primises to lower the cost of the c

The design, developed under of AC/DC conversion equipallows the device to carry large currents while itself con-suming very little power— reducing overall losses reducing

operating high voltage direct can occur with the weak power. transmission signal of a light pulse. The device may cut the cost

the sponsorship of the Electric ment needed at the two ends Research Institute, of a HVDC line, thus making it economical to use - much sborter lines of this kind. At the moment they have to be more than about 500 miles a length according to GE.



Solid state pressure transducer element

MOTOROLA bas reached the sampling stage with a new solid state pressure transducing element and a complete opera-tional module, both likely to be the subject of a high volume,

low cost production.

The basic element uses a semiconductor strain gauge device operating on the piezore-sistive principle. It gives direct voltage as a function of pres-sure and needs no closely matched associated components or Wheatstone bridge arrange-

It is claimed that the gauge is highly accurate and stable, giving an extremely linear hyster-

esis—free output voltage.
Three forms of the development are to be made available: the discrete uncompensated element, a printed board assembly that gives a high level tempera-ture compensated output, and a module that can be used in barsh environments such as that under the bonnet of a car.

At 3 volts excitation, the output of-the transducer element is typically 60 millivolts for a one atmosphere pressure dif-ferential. More on 01-902 8836.

Six-colour process

SIMON-VK of Cheadleheath, Cheshire, has developed a six colour flexograph process for printing laminates and ovenable paperboards. The unit is able to print four faces on one side and two on the other or six faces on one side. More from Simon, PO Box 31, Stockport, Cheshire (061-428 3600).

significantly. Sony wins £1.5m NatWest cassette order

worth £1.5m for 1,000 video placed for this type of equip communications for its 63,000cassette recorders from National Westminster, Bank, It claims ment. The bank intends to use employees in the UK.

SONY HAS won a contract this is the largest single order video as the major method of



Dr Victor Temple, a physicist and inventor of the circular patterned silicon wafer inspects an example at GEC of the U.S.

mailing cover -WESPAC bas introduced a recusable mailing cover for 51 ainch and standard 8 inch diskettes known as the "Wespac Floppy Mailer." It is available in multiples of 10 at 48 pence for the 8 inch version and 35p for the 51 luch .. Orders this month and next, the company says, include a free sample for orders of 10 or more. Wespac is at 154, Shore-ditch High Street, Londoo

Bandwidth method sheds decimal points STEMMING FROM a decision modern frequency management or 24 MHz for example, becomes waterproof chart that can be

ence in Geneva, a new method of apecifying the category and bandwidth of radio transmissions came into effect on January 1.

Apart from reducing these two parameters to capital letters and numerals only, the system also does away with decimal points and in general reduces the possibility of error and amblguity.

the keying of such data into style becomes H200 in the new, put all the new data on to a The aim is also to facilitate

made at the 1979 Wirdl systems based on computers.

Administrative Radio Confer However, the carrier frequency Three itself will continue to be stated to be used to describe the class little too late to ioclude another in the usual way.

megahertz and G for gigahertz, information

Three mandatory symbols are

of transmission. The first describes the type of modulation, the second describes the nature of the second describes the for bandwidth of which three of the signals modulation the are numerals (yielding three significant figures). Letters channels, whether they are significant figures). Letters are used to denote units: H for analogue or digital) while the given in decibels referred to heart K for kichertz M for third indicates the type of one watt. A four character code is used are used to denote units: H for analogue of digital, when the type of hertz, K for kilohertz, M for third indicates the type of information (telegraphy, The letter is placed where facsimile, data, speech or video).

the decimal point would bave To make things easier, been. Thus, 0.2Hz in the old Rediffusion Radio Systems bas

The chart is available free from Rediffusion Radio Systems,

It was, bowever, compiled a

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London Clearing Banks' balances

as at December 9, 1981

THE TABLES below provide the first monthly indication of the trends of bank lending and deposits, ahead of the more comprehensive banking and money supply figures poblished later by the Bank of England. Tables 1, 2 and 3 are prepared by the London clearing banks. Tables 1 and 2 cover the business

INDIVIDUAL GROUPS OF BANKS'

ELIGIBLE LIABILITIES

of their offices and their subsidiaries (excloding Scottish and Northern Ireland banks) in England and Wales, the Channel Islands and the Isle of Man which are listed by the Bank of England os falling within the mnnetary sector. Table 3 covers the parent banks only. In this, it is comparable with the figures

produced by the Bank of England, which show the reserve positions of all the banking sectors subject to credit centrol. Minor differences here arise from the exclusion from the clearing bank figures of Contts, a subsidiary of National Westminster but a clearing bank in its

A a way at Y				ı			anding	- College	ath .
TABLE 1. AGGREGATE BALANCES		otal andinu	Chan	ge on i nth		£m	£m	£m	£m
LIABILITIES	£m	£m	£m	£m	Bills: Treasury bills :	369		+.13	
Sterling deposits: UK monctary sector UK private sector UK public sector	8,564 44,848 672		-292 +119 -120		Other bills	1,248	1,617	,+101	+114
Overseas residents Certificates of deposit of which: Sight	5,294 2,592	62,270 20,539	+104 +207	+ 18 -221	Investments: British Government stocks Other	2,612 2,315	4 097	- 42 + 17	9K
Time (inc. CD's)		41,731		+239	Advances:	-7 7 7 -	2,061		- 20
Foreign currency deposits: UK monetory sector Other UK residents Overscas residents	12,869 3,138 27,173		- 48 - 47 -1,729		UK private sector UK public sector Overseas residents	38,021 274 3,260	41 555	-347 -273 + 71	-549
Certificates of deposit	3,278	46,457	+104	-1,720	Other sterling assets	·	7,770		-177
Total deposits		108,727 13,987		-1,702 -296	Fnreign currencies Market loana: UK monetary sector	11,692	-	-1,136	4
TOTAL LIABILITIES		122,715		-1,998	Other	321		+ 39 259	
•				•	Bills		32,409 55		+ 2
ASSETS Sterling	•				Advances: UK private sector	2,763		+ 14	
Cash and balances with Bank of England		1,325		+ 69	UK public sector	435 10,313	13.517	- 20 -330	_ 396
Market loans: Diacount market	2,596 9,700		+239 - + 17		Other foreign currency assets*		2,459	- 19 19 1 - 19 10 11 11 11 11 11 11 11 11 11 11 11 11	-159
UK banks	1,758 1,424		+ 184 - 6		TOTAL ASSETS		122,715		-1,998
Other	1,604		<u> </u>	+419	Acceptances Eligible Liabilities		1,530 46,244		+152 -333
		* Inc	lndes ite		uspense and in transit.				
TABLE 2. INDIVIDUAL GROUP		TOT	ΔT.	PARCLA	AYS LLOVDS MIDLAND	NA WES	TIONAL		JAMS &

TABLE 2. INDIVIDUAL GROUPS OF BANKS' BALANCES			PARC Out- standing	Change on			MIDI Out- standing	AND Change on month	WESTM	INSTER Change on	A	N'S Change on
LIABILITIES Total deposits	£m ` 108,727 •	£m -1,702	£m 30,988	£m 168	£m 18,340 -	£m -1,213	£m 23,353	£m -134	£m. 33,156	£m ~156	£m 2,892	£m — 31
ASSETS Cash and balances with Bank of England	1,325	+ 69	35,3	+ 17.	231	 40	282	+ 35	416	+ 71	38	ı 14
Market loans: UK mooetary sector	23,988	-880	6,768		3,344	-749	3,669	+110	9,672	-145	533	 27
Other	25,503	- 57	7,070	-227 -146	4,793				7,606			_+ · 9
Bilis British Government stocks	1,672 2,612	+116 - 42	. 769 740	+146	200 498	-125 + 2		- 14·	437 562	- 29'		
Advances	55,072	-886	16,236		10,038			-258	15,013		1,588	

Chris Dunkley looks back at television, 1981

A rich summer

Only an insomptac polymath only of the beginning of a revo-with two video recorders could lution in technology, but also of legitimately offer a single sen-tence assessment to cover the ship developing between the ship developing the ship developing the ship developing the ship developing the ship developin transmit such a quantity of schedulers. material that it is impossible for one person even to be sure of seeing all the highlights, but in contrast to the theatre, cinema, and concert hall the huge variety of material conveyed via this medium is such that any single conclusion must atmost inevitably be wrong for some parts of the output

11. 6 1985

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What is more, whereas my fellow critics on this page deal with anished products resulting from processes deliberately undertaken by one or more artists, be they dancers, actors. painters or whatever, some of the most interesting and significant material on television is either unfinished or the result of anything but deliberate intent. News, current affairs and sports programmes (not to mention inept continuity announcements) are full of such chance occurrences.

They may be communicated with greater or less technical drama series and serials in-expertise and one might use cluded To Serve Them All My fully review the standards of Days, The History Man. Hitch fully review the standards of Days, The History Man, Hitch such techniques. But it would Hiker's Guide To The Galaxy, ba very odd- to offer an equal Sons and Lovers, Honky Tonk welcome to three great new Heroes (an ATV series about plays in the theatre and three sassination attempts on television (Ronald Reagan the Pope, and Anwar Sadat, the last tragically successful) merely because the assassination attempts were shown in all

Some commentators find the mediation of current events by television deeply ominous. Nothing is "real" any more they say, every world-shaking event becomes merely another. television programme. It is true that, once again in 1981, television was swiftly and closely involved with the year's majorhappenings; the freeing of the U.S. hostages in Iran, the inauguration of Ronald Reagan, the H-block hunger strike deaths, the space shuttle journeys, street moting in Brixton and Toxeth, the Warrington, Crosby and Croydon by-elections, the cowardly IRA bomos in London, and latterly oppression in Poland.....

Yet the claim that television somehow reduced all these to uniformity or lessened their impact seems to me absurd, hitle more than a rivid example of the transference of the histener's guilt to the bringer of unwelcome messages. Is it seniously suggested that in the days when such occurrences autobiography.

All three were on BBC 2 and were "newspaper events" or Almost alone Hi De Hi! since the same channel carried before that "word of mouth bucked the trend, with its big The History Man, Hitch Hiker's events" public reaction was cast, high professionalism, Guide. Sons And Lovers, Bread healthier or wortheir or the willingness to allow comedy to Or Blood, Private Schulz, May events more "real"? There is grow naturally out of character, bury, Unity, Going Gently, The support for the guilt-trans, and determination to provoke Innes Book of Records, and

size of audience, frequency of repetition, and memorableness. among the public: July's wed, this was their second run. Channel 4 comes on the air—ding of Prince Charles and Lady The Innes Book Of Records though it may not he his pageon Diana Spencer. I happened to be was again unique and cherish by then since his successes must in a small town in Sardinia at able for the scrupulous and have earned him a very strong the time, but could still see loving detail with which it is claim to the job of managing four hours of the procession to made, but the only series which director BBC Television which St Paul's, the ceremony itself, might be said to approach the is vacated by Alasdair Milne and the return to the palace, all level of healthy iconoclasm as he moves up to director-broadcast. He. Moreover, back boasted by the 1960s satire in London review copies of the shows was Not The Nine wedding on videocassettee from O'Clock News, and the best they were Robert Kee's Ireland, A both the BBC and ITV were could do in 1981 was to repeat

tence assessment to cover the ship developing between brown whole of relevision for 1981 easter and public. About 11m Conclusions such as "It was a British homes had acquired many than the same of the conclusions by the end of video recorders by the end of come more and more suspect. 1981, and thus the capacity to Not only does television now become their own programme

> What with that end Teletext (im in use now, im more to be manufactured in 1932) and the BBC launching the biggest push ever in home computers, it would be easy to devote 2,000 words to hardware alone, but we must get back to the software, or programmes as they say

Despite the natural reservations expressed above, I started my mental review feeling that the year was probably about average. Forced by the number of programmes to start making lists, however, I realised that the unimoressiveness of the most view of the year as a whole; the spring and early summer were, surely, extraordinarily

It would take stubborn ingratitude to dismiss as merely "average" a year in which a London club for cowboy "dudes" which received less attention than it deserved) Bognor (also undervalued), My Father's House, Bread or Blood, -BBC2's powerful and moving serial about the social history cases quickly and in two cases of 19th-century rural England, clearly in all our sitting rooms, the gloriously funny Private Schluz Maybury, an incon-sistent but hrave and interesting series about a psychiatric ward, and The Flame Trees of Thika-and all those without even mentioning the obvious winner of all the awards in this category, Brideshead Revisited.

> Comedy as a whole was weak verging on the pathetic, much situation comedy sounding as though it had been extruded communally by a committee of ingly unending procession of scripts lined up to poke fun in a neurotic way at wimps: wet impotent males. As the months passed and the ineffectual separated busband was replaced the cringing divorce who was overtaken by a snivelling widower and a man in his 30s with the thickest head of hair ever seen babbling about going supply ten good jokes for every autobiography.

ference theory in the fact that the viewer to laughter rather Boom Boom Out Go The Lights the objections disappear when than group therapy. It deserves as well as five out of the six the event is a happy one. all the bonours it will collect. best documentary series, it If was just such an occurrence The only other sitcom to earns a special mentino as which provided THE television mention is Holding the Fort Channel Of The Year event of 1981 if you judge by by newcomers Marks and Gran In autumn 1982 BBC 2 conevent of 1981 if you judge by by newcomers Marks and Gran who work bard and to good troller Brian Wenham may have effect on their dialogue. But to look to his laurels when

and somehow organise the raw talent which was sometimes bursting out of London's Comic Strip, sometimes collapsing ln it, they could have made the year's freshest comic series but after one episode Boom Boom Out Go The Lights simply disappeared.

The biggest contrast of all between that golden age and the past year was in single plays. Jonathan Miller finally managed in 1981 to impose a seose of house style on the BBC's complete Shakespeare, partly by systematic references to paintings, giving us a memorable All's Well and an engrossing Antony and Cleopatra. Don Taylor and Louis Marks produced a marvellous The Crucible on BBC1. But those are all old plays.

Only three new plays stick in my memory: Tony Perrin's re-telling of the ETU hallot-rigging scandal, The Union; John Mortimer's account of the Hitler-infatuated Mitford girl, Unity: and Going Gently. Thomas Ellice's play from Robert S. C. Downs' novel in which Norman Wisdom and Fulton Mackay played two men dying in a cancer ward and Judi Dench played their nurse, all under Stepheo Frears' direction. Its toughness, compassion and honesty will stay with me a very loog time.

In summary, then, television drama in 1981 saw an acceleration in the drift away from the single play and towarda series and serials, a movement which, as I have said before, seems quite natural and unexceptionable in this medium. A parallel shift continued in documentaries. Admittedly there were among

the single documentaries rather more borderline cases than among the plays, and many works which, though pushed in under umbrella titles, were ooa - off productions. really Thames Television's Take 6. for instance, included several exciting programmes by brandnew directors, and Man Alive presented a memorably stark sociology lecturers. A seem- and booest edition on road safety.

Among those actually presented as single documentaries my own shorthist for awards. in transmission order, would be Philip Speaght's delightful and delicate film about a piano tuner, The Glazebrook Touch; Peter West's quirky account of taxidermy, Lion; and Edward Mirzeeff's programme bald, one longed for an edict Englishwoman And The Horse demanding that script writers which was sometimes bilarious, supply ten good jokes for every sometimes mind bogsling, yet further draught of purgative never unkind. All three were on BBC 2 and

Those five documentary series mentary remained vagualy were Robert Kee's Ireland, A unpopular, mainly because few Television History which, like organisations except Granada waiting for me; evidence not their shows from 1980. Had its ITV conoterpart The will provide the money, the there would be little to worry sioo of an uncredited character, wrote the script and the lyrics, tion was almost irresistible.



Troubles was long overdue hut all the more welcome; The Making of Mankind in which I learned much from Richard Leakey's palaeontology even while being anooyed by his preaching; Personnl Pleasures With Sir Hugh Casson which did indeed provide much pleasure; the snappy, bumorous and iovigoratingly sensible Snowdon On Camero which proved to be that rare phenomenon, a television series that was (if only slightly) too short; and Fighter Pilot which would have seemed even more remarkable had we oot already seen Sailor. Strangeways and so

Having singled out BBC2, justice demands a special meotion also for Granada Television, the only original TTV company surviving to celebrate its silver jubilee ln 1981. That alooe may not be worth a medal, hut the company's continued record certainly is. Not only did they bring us Brideshead Revisited, the best drama of the year and probably the best television adaptation ever, but their television journalism continued stand bead and shoulders above the rest.
Their series Rich World, Poor

World explained with uncompromising candour and awful clarity the invidious relationsbip between north and south, first and third worlds. They commissioned Jack Gold to film impressive period in its history. Kenneth MacMillan working as a oational Broadcasting Comchoreographer and in A Lot Of Happiness be turned in the hest televised analysis of ballet 1 up to £46. "Primetime," the have ever seen. They continued with Brian Lapping's for many years, was lau oched unique "bypotherticals" and, despite occasional substitutions of quantity for quality, thanks to Leslie Woodhead, thousand tremendous promise. supplied both of the year's best drama documentaries: Strike which last month re-created in minute detail the birth of Solidarity io the Lenin ahipyard. aod earlier Invosion which, perhaps did an even more extraordinarily impressive job oo the toppling of Dubcek.

Elsewhere the drama docu-

time and the trouble that this form needs, Jeremy Isaacs, now heading Channel 4, reconstructed a violent and oddly murderer Jimmy Boyle In A Sense of Freedom for Scottish TV; and BEC2 gave us The Jail Diery of Aloie Suchs with a powerful performance from Stratford Johns as an Afrikaner gagler and also another short series of Michael Wood's joyous historical investigations Search Of (Athelstan, Ethelred. William the Coopuerorl. The regular current affairs

series carried oo much as before with BBCI out in froot, Panoramo having a good year, Question Time making itself viewiog, compulsory Notionwide chaoging for the better when Roger Bolton moved over from Ponoramo as editor, Granada's World In Action staved on an even keel, hut Thames's TV Eye too ofteo induced sleep. The best new current affairs programme was The Pursuit Of Power, a series of shrewdly revealing political interviews by Robert McKenzie who, sad to say, died in October. There will be other political commentators but McKenzie is irreplaceable.

It was of course yet aoother year in which television's own activities frequently made news: the BBC acquired a new charter, the IBA sacrificed Southern TV just as it entered the most. a cational Broadcasting Com-plaints Commission was estabished, and the licence fee went first serious televisioo magazine showed tremendous promise.

As ever there was an out-

rageous amount of talk about the industry, much of it deeply gloomy. Yet income to com-mercial television was the highest ever (net revenue for November, the latest recorded They are called Major Catas. marked with the appearance on anything but rag week at a bad 1980) and international propiece, Ivanta Havalot, Egor the stage of a jock-strap. But grantne awards flooded in as fast as ever. If British steel, is another uncredited character textiles and shipping were as in the company, a ghost. As the healthy as British television play is a whodunft, the intru-

Drill Hall, WC1

Punch and Judy

by DOMINIC GILL



the production of the contract of the contract

the movement, the colour and that even Birtwistle's irreprescontrast is contained, densely sible score is sometimes overand unrelentingly, in the score. whelmed: at crucial moments voices sneer, cry out in heartbreak; strings and reeds fizz lyrical like smoke, would try to persuade us otharwise, a single moment of relaxation or rest. And that extraordinary momenminimal stage directions bave heen complied with, there is, guite simply, nothing to add. that it bears so li So much is added, indeed, to Birtwistle's own.

Brasses bray; percussions snap: the focus is wreoched, time and again, from the music to the with conflict. In the whole of sceoe. The musical perform-Punch's one hour and 45 ance given by the Eodymion minutes there is not, even Ensemble, when one could conwhere a sudden mirage of centrate on it, was very good: tenderness, vaoisbing rhythmically strong, crisply noke, would try to per-etched, and excellently balanced by the conductor Howard Williams. Omar Ehrahim's sinoous, punky Punch, Graham Titus's tum is achieved without the Choregos, Hilary Western's twitch of a face muscle or a Judy and Marie Angel's splen-pointed finger: wheo the didly sexy Pretty Polly make their marks vigorously in Freeman's scheme: more's the pity that it bears so little relation

Purceli Room

terms of an entirely static stage

presentation — a work whose every ebb and flow of movement

and complex dramatic couoter-

point resides, and is expressly

designed to reside, io the words

and music alone. He has added

to this gravely ritualistic frame

such a flurry of stage business.

such an agitation of visual

connection and urgent, sweating

movement, that he shakes the

piece to death like a broken

punpet on the end of a string.

to reflect why it is that Birt-

wistle's Punch oud Judy makes

not only such a brilliant, but

also such a complete, effect io

concert performance? Visually,

the work summons no more

than the barest symbolic

reference, all of the tensioo,

Did Mr Freeman ever pause

PLG Young Artists

accompanied by Robert Lock-

The Park Lace Group's week of recitals wedding young per-formers to 20th-ceotury music has become one of the more welcome fixtures in the concert calendar of the early new year. But the 1982 series began on Monday in the Purcell Room less auspiciously than usual. The hlame could be laid only marginally on the performers, partly on the debilitating beat of the hall (over the Christmas break the air cooditioning in the Purcell Room bas become deraoged) and most of all on the PLG's programming. These series bave long bad their tics, but usually in the past they bave still produced lively, well balanced evenings.
The present five coocerts

feature the music of Michael Finnissy and Giles Swayne. Two of Swayne's pieces were in- bas played them before in io their own way, without any cluded oo Monday, a pro London most memorably) but claims to profuedity or tecbgramme sbared between the his account was subdued and nical sophistication. clarioettist Mark van der Wiel, unsettled; his best form was

Howard. Both are technically highly accomplished. If Mr Barritt made the stronger impression on this occasion, Mr music that benefited from such van der Wiel's cause was bardly genemed precision: Webern's belped by his selection of Lutoslawski's Dance Preludes

need more careful pointing and

colouring to give them an

impact and William Alwyn's

clarinet sonata rambles unconvincingly; it never strikes a balance between declamation and reflection, and the performance was similarly left in two minds. Mr van der Wiel to show his worth in Stravlosky's Three Pieces for solo clarinet (from all accounts be

paradoxically reserved fo hart, and the violinist Paul Swayne's Conto, simulating Barritt with the pianist William much fury, hut ultimately quite empty and pointless. Paul Barritt's studied per-

formacces were lavished on

miniscule Four Pieces Op. 7 aod Stravinsky's Duo Concertante. He was also allotted a piece by Giles Swayne—the Duo for violin and piano, less banal than the clarinet work, and sustaining a convincing structural plan—but be included as well Judith Weir's Music for 247 strings tricksy little miniatures (10 of them, lasting around a minute each) largely should have seized the chaoce made up of rhythmic unisons between violin and piano aod belatedly lotroducing some dis-

The Butler Did It by B. A. YOUNG

his haunted bouse, Farque Hall. Blimey, and Rick Slick. There

freath, or apparent death, The only acting that looks like

New York: Editorial and Advertising 75 Rockefeller Pizza, N.Y. 10019. Editorial Teles: 66990. Tel: (212) 541 4565. Advertising Teles: 238409. Tel: (212) 469 8360.

The four potential heirs to even a ghost, cao hardly be They also take two of the parts. the fortune of an international called fair play. Nor is it made Bob Sellins wrote the tunes. ballet star spend the night in his haunted bouse Fernue Hall.

They also take two of the parts. Bob Sellins wrote the tunes. Maurice Lane is the director. as the play is rubbish from beginning to end, this is as a private detective. At the end of Act I be says: "Should anyone wish to leave, now is Richard and Laura Beaumont the time to do so." The tempta-

THEATRES

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ACROSS

danger (7) 11 Conveyance causing disturbance after tea (7) 12 Got up as a flower-girl (4) 13 Government policies which some callers have to share (5.5)15 Limited arrival in the

"Welcome, — glooms! Con-genial horrors, bail!" (Thomsoo) (7) Solution to Puzzle No. 4,763

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20 Joint wager containing an element of danger (7)
21 Eventually familiar (2, 4) 24 Bonnet for the borsewoman gives anchorage to the

admiral (6-4) 10 The island is possibly a 26 A doctor finds Kay in a frenzy (4) 28 The storm in colour was eotertaining (7)

29 A priest is found in the money (7) 30 The price we had to pay for those that were coloured 31 Good cheps should not be

DOWN 1 Symbol found around in a

dropped (6)

statuette (8) 2 Ready keeper (9) 3 Part of the natural mountain range (4) 5 Not a thoroughbred aperitif 6 Almost exhausted on the verge of completion (6, 4)

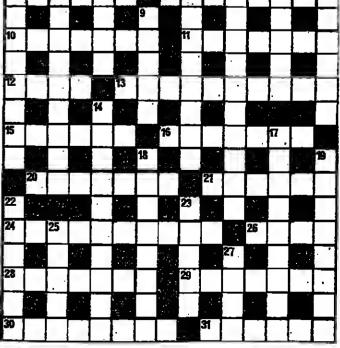
7 Sound precipitation as a rule (5) 8 Dull, certainly, but has an 17 Puzzling suggestion angle (6) musical variations (9)

9 A formidable womao whichever way you look at it (5) 14 Uniformly described as 19 "Like a puffed and members of the Senior Ser-libertine" (Hamlet) (8)

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FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON ECAP 4BY Telegrams: Finantimo, London PS4. Telex: 8954871 Telephone: 01-248 8000 -

Wednesday January 6 1982

Papandreou's curate's egg

tioned in parts and may be a smokescreen behind which he intends to retreat from some of his more extreme past positions. But it is also imprecise in detail, fraught with danger for an already poor investment climate, and largely irrelevant to some of the country's chief

economic problems.
The attack in tax evasion which the Greek Prime Minister in his television speech on Sunday is overdue in a country where this form of national sport costs the Government about a third of the revenues it is entitled to.

Inefficiency

Dr Papandreou also showed what could prove to be welcome evidence of realism in his approach to the problem of large industrial enterprises in trouble because they owe too much to the banks. Those found not to the problem of the banks to be applied by the control of the banks. not to be viable would be wound-up. But Dr Papandreou created no clarity about the "socio-economic" criteria that would be applied in deciding which enterprises may survive. That phrase opens the door wide to consideratims of social expediency which conflict with and eventually will succumb to market forces.

Those enterprises chosen for survival will come under the aegis of a Government agency especially set up for the purpose. Given the notorious ineffi-ciency of the Greek bureaucracy one may doubt whether such an really will perform better than present managements, even given their evident shortcomings.

The proposal falls short of nationalisatinn, ranking instead " socialisation " Papandreou's vocabulary. In several key sectors of industry "socialisation" is to take the form of the appointment of supervisory councils representing labour, management, the government, and local authorities. These councils are to ensure that corporate policy and planning fit in with the overall industrial aims of the government in Athens.

Whereas a case can be made out for creating some such the dangers are self-evident, and political dangers.

THE MOST that can be said especially so in Greece where for Dr Andreas Papandreou's nepotism is a way of life. Moreindustrial programme for over the concept reveals a con-Greece is that it is well inten- tradiction between Dr Papandreou's proclaimed objectives. On the one hand he wants a greater degree of decentralisation; on the other he is creating institutions, such as the agency to supervise those lame ducks worth saving, which will increase the direct influence of the central government.

Dr Papandreou's propos barely address two fundamental problems of the Greek economy: the over-regulation of the bank ing system, and the extreme ing system, and the exercise fragmentation of industry. The country has almost 130,000 industrial enterprises employing, on average, 5.5 persons each. A large proportion will not survive as Greek tariffs and especially non-taniff barriers against EEC industrial goods are eliminated.

Besides a consolidation of its industrial structures, Greece needs a steady flow of foreign direct investment to compen sate for a chronic deficit on current external account. Dr Papandreou said that foreign investments would be welcome provided they were profitable to the Greek economy. He also foreshadowed controls to prevent transfer pricing, a device which the foreign investor attempt to reduce his tax bill in Greece.

Incentives

There may be withe to quarrel with the principles involved, but given the interventionist tenor of Dr Papandreon's speech, their application may further deter foreign investors. Uncertainties do not end there. Dr Papandreou's failure to clarify how he wishes to after the terms of Greek member-ship in the EEC cannot but worsen the investment climate for both fureigners and Greeks. Given the backwardness of the Greek economy there is a case for special measures and incentives to strengthen industry. But an attempt to override the market and give bureaucracy more powers of intervention is not the right way. It is problematic enough in France which boasts an industriably skilled civil service. In Greece with an already bloated bureaucracy, Dr Papanchannels of communications, dreou's approach is fraught either institutional or informal, with economic as well as

Manipulating the money supply

THE CITY seems to bave ment paper to finance commer-found some cause for relief in cial lending. Again, lending the modest quarter-point rise in can be financed without adding the money supply reported for the three weeks of banking December. This makes some Guesswork, based on the continued aggressive drive of the clearing banks into new markets, had suggested a far higher figure: There is little comfort, however, for any remaining adherents of what a senior director of the Bank of England has called the "theology" of monetarism. The figure is grossly deceptive.

Explanation

The oddity can most readily be seen in the very large gap between the expansion of bank lending—about £11hn—and the much more modest expansion of bank deposits, about £300m. These figures can readily diverge for a time when taxes are heing collected, or Government stock has been sold in large amounts, but when they do so month after month, the explanation is no longer routine. After all, monetarists are inclined to regard money and credit as two sides of the same coin, and it is a very different coin which has two sides of quite different size.

the growth of bank lendingand more than half in November-has been financed directly by the Bank of England, which bought another £600m worth of commercial bills. It now seems likely that over the financial come doubly doubtful whether year as a whole the Bank will it makes any sense to control be a commercial lender to the domestic sterling liquidity since exchange controls have been rejunte foreign curcommercial bills. It now seems lending is an odd way to operate a credit squeeze.

Statistically, this makes a kind of sense. Bank lending can be financed in three ways—from cannot make sense to try at the the accumulated profits of the same time to control the broad banks, from new hank deposits, money supply — the domestic which are "money," or from sterling liabilities of the bankthe sale of other assets of the ing system—and to refuse to banking system. For years the subject the banking system banks have been financing part itself to any real constraint, and of their commercial expansion that in essence is the story of by selling their holding of the last decade of monetary

Government securities. Recently, commercial bank

to hank deposits, producing relatively orderly figures for

the "money supply." What is being achieved in reality? A seismograph might detect a considerable disturbance near any cemetery containing the remains of the money disciplinarians of the 19th century, who demanded gold backing for the note issue. t the present rate of progress" the note issue will within two years be backed

Indeed, this fact suggests that a new grave is being dug. Since the authorities cannot buy commercial bills without limit-unless some new institution is invented to hold them, a kind of official money market mutual fund—those in charge must be presumed to hope that they are monetary targetry. One final set of acceptable figures, and we can turn our attention to something else, be it the exchange rate or the monetary base, both of which have been performing in a satisfactory way.

This may seem a cynical con-The explanation is as strange cluston, but it is in fact a as one might wish. About half sensible one. It is highly doubtful whether any workable regime can be based on the attempt in control a broad measure of the money supply the attempt is something of a British peculiarity. It has be-come doubly doubtful whether abolished; private foreign currency holdings have been grow-

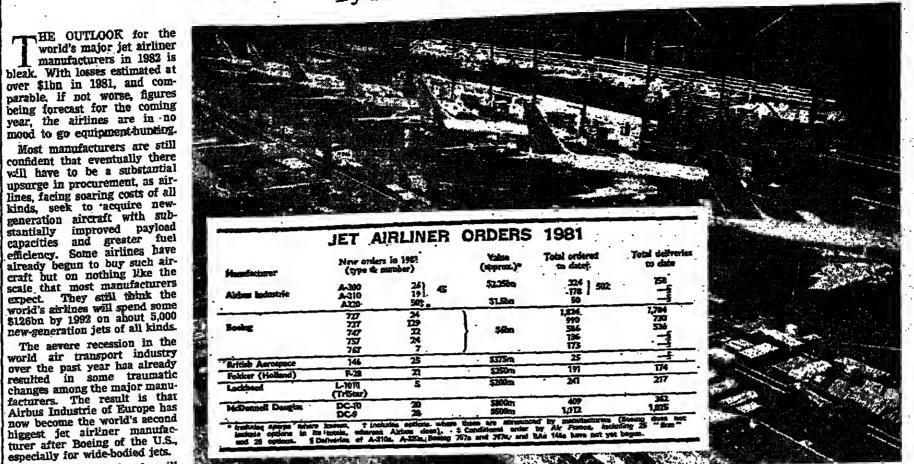
What is certain is that it cannot make sense to try at the

control in the UK. As the Treasury Committee boldings of government paper recently pointed out, official have been run down to an embarrassment about monetary operational minimum. For the policy is now so evident that time being the Issue depart- the nature of the policy itself ment of the Bank of England has become a mystery. It is a bas taken over the running, mystery which must be resolved seiling its holdings of Govern- hefore confidence can revive.

WORLD AIRCRAFT MAKERS

Turbulent times ahead

By Michael Donne, Aerospace Correspondent



in the short-to-medium

The rest of the decade will

see yet more battles particularly

for a slice of the 150-seat short-

to-medium range aircraft mar-

manufacturers plan to build

their own versions of a short-to-

medium range 150-seater in the

next few years. There could be

a market for as many as 2,000

of this kind of aeroplane by the

end of the century, worth well

The next few years may also

see far greater involvement hy

the Japanese. Western zircraft

makers have been wooing the Japanese hard and there is no

doubt that they, for their part, are interested in participating

The accompanying table shows

haw each of the major jet air

liner builders has performed this year. The poor showing hy

Lockheed (five new orders, with

three cancella is has been

the prime reason for that com-

pany's decision to end TriStar production from 1984, McDon-

nell Douglas has dane better,

but still not as well as it had

hoped. Airbus has continued to

make rapid progress, especially

if the conditional order from

Air France for 50 (25 firm and

in the 150-seat project.

over \$20bn including spares.

Three major groups of

range market. its own with the big 747 Jumbo, and is likely to have current this market all to itself for as far ahead as anyone can fore-Competition from the Lockheed TriStar is now virtually over, while McDonnell Douglas's DC-10 is only just

holding its own. In production terms, Airhus Industrie is expanding fast, raising its output from four aircraft a month to reach eight a munth by 1984. Boeing has cut back output of 747s to meet

Need for an aircraft in short-to-medium range category

tighter market conditions, while demand for the medium-range 727 is shrinking fast. The bigger, new-generation 757s and 767s are only just heginning to emerge, and some new orders for these are expected during 1982.

25 options) for the proposed new A-320 150-seater is in-

heing fought between Boeing groups—Airbus with the A-320, recession ends—it feels the and Airbus Industrie, with the Boeing with the "7 Dash 7," rate may be slower than many Boeing 767 ranged against the and McDonnell Douglas/Fokker analysts now believe likely, Airhus A-300, and the Boeing with the MDF-100. But plans about 4 per cent rather than the

for all these models, which have been floating around the world's aerospace and airline Boeing remains in a class of industries for some time, are maturing nnly slowly and the current airline recession appears in have pushed back the prospective in-service date of any of them to 1986 or 1987, or even perhaps 1988.

The 150-seater twin-engined airliner fills the slowly emerging need for an aircraft in the short-to-medium range category between the 737-300 of about 138 seats, and the larger Boeing 757 of 180 tn 200 seats. The most immediate pressure for it is coming from a handful of U.S. airlines, such as Delta. Eastern and United, each of whom need about 100 aircraft.

Boeing's priginal plan to turn the existing three-engined 727 into a twin-engined airliner appears to be fading. But the ompany is still reluctant to get iotn this new venture too soon, largely because it is already spending more than \$2.500 on developing the 757, 767 and 737-300, and cannot afford to launch another new programme

Of all three contenders, Airbus appears to be pushing its Boeing remains top of the Series 300 model is under league, with orders for 206 airliners this year's 324, but still yielding a welcome \$56n worth of new business).

Tange jet. A new, improved by 1986. McDonneil Douglas/ So far as the MDF-100 is contend that, but believes 1987 to be that, but believes 1987 to be pledged support for Fokker, more realistic. Boeing believes but McDoonell Douglas will new business). Beyond all these models lies line financial difficulties and resources—as will Roeing for seater, involving three models are specifically about the short-to-medium range 150line financial difficulties and resources—as will Boeing for uncertainties about the rate of the "7 Dash 7." traffic growth once the This need for cash is one Beyond all these mounts from the business).

Beyond all these mounts from the business in the world the short-to-medium range 150-uncertainties about the rate of the short-to-medium range 150-uncertainties about the rate of the first need for cash is one arriver market place are now seater, involving three major traffic growth once the major reason why all three major reason why all three major reason why all three major rate may be slower than many groups are wooing the Japanese rate major reason who all three major reason why all three major reason why all three major reason why all three major rate may be slower than many groups are wooing the Japanese rate major rate may be slower than many groups are wooing the Japanese rate major reason why all three major reas

popularly believed 5 to 7 per

Boeing's become enmeshed in another new airliner programme does not mean, however, that it will not compete if it has to. It already has a hig team involved "7 Dash 7," and if It on the enters the market, it will do so determined to win the lion's share of it. None of the manufacturers

involved are without their problems. All need cash—each of the planned 150-seaters will cost up to \$2bn to develop (or about the same as the existing A-300, A-310 Airbuses). manufacturers are likely to have some difficulties in raising the money.

Airbus will certainly have to

get cash for the A-320 from the West German and Governments. The Government bas French, Government pledged support in principle, but the British and West Germans are more cautious, waiting for firm proposals from their aerospace in-dustries on cost and worksharing before taking decisions. These plans are now being worked out, and will be presented to the governments in

So far as the MDF-100 is concerned, the Dutch Government more realistic. Boeing believes but McDoonell Douglas will

in the 150-seater concept. Japan

is anxious to expand its own aerospace industry, and sees the 150-seater as one good way in which to do it ..

Japan is prepared to spend substantial sums on its share of a 150-seater venture, provided it can gain new advanced technological knowledge in return. This is why the Japanese indus-try is already undertaking 15 per cent of the Boeing 767, and would like perhaps as much as 20 to 25 per cent of any 150seater. But while all three western manufacturers are wooing the Japanese, the latter are in no hurry, and would like to have much firmer detailed

Three candidates appear to be in the field

proposals on costs and worksharing before making any commitments. Even so, a decision is likely to come some time in 1982. .. All the prospective manufac-

turers of the 150-seater agree that the primary "pacing that the primary "pacing factor" will be the availability of a suitable engine. So far, three candidates appear to be are resigned to the fact that it in the field—the joint Rollsversion of the Franco-U.S. (Specma-General CFM-56, and a derivative of the Pratt and Whitney (U.S.) PW-2037 called PW-STF-633. All these power-plants will need to be of around 25,000 lb thrust. So far, the RJ-500 appears to

be at least two years ahead, with "demonstrators" (proving past 12 months.

the overall validity of the design concept) due to run on test beds at Derby, and at Ishikawajima-Harima Heavy Industries in Tokyo next mouth

But engine development is as costly as airframe development -about \$1bn for a single new power-plant. Because of this, General Electric of the U.S. has decided not to develop another new engine of its own for the 150-seater, preferring to go along with its existing investment in the CFM-56 with Specma. Pratt and Whitney meanwhile has been discussing the possibility of joining with Rolls-Royce and the Japanese on the RJ-500.

Rolls-Royce and the Japanese are confident that if only they can maintain the pace of development on the RJ-500, they have an excellent chance of being the "launching" engine in more than one of the pros-pertive airframes. As with the A-320 airframe, however, the UK Government will have to make a substantial investment in the full development of the RJ-500, as will the Japanese Government, and they will want to be assured that the market is big enough to make that invest-ment profitable.

All this explains why the discussions now under way on both the airframes and engines for the 150-seater are so complex. and why they are so clow to mature into firm programmes backed by airline orders. No one doubts that such programmes will eventually emerge. The major uncertainty is over who, if anyone, will drop out of the race because they cannot finance the heavy capital investment necessary.

Beyond even the 150-seater, there remain some substantial further investments in a wide range of other new civil aircraft for the long-term future. In the UK, British Aerospace is spending well over £250m on its BAe 146 four-engined feedershier, with only 13 firm orders and 12 options won so far, although the eventual market could run to several hundred aircraft. For all that the immediate

future seems grim, therefore, for the longer term the outlook is much brighter. The uncertain factor is just when the improvement in the ainlines' and the manufacturers' fortunes will occur, Some analysts have suggested that for the airlines better times may begin to emerge by the end of this year. But for the most part, the airlines and the manufacturers may now be 1983, or even 1984. worst to have passed. ·In the meantime,

objective will be survival, and the battles for those few airliner orders anticipated in the coming year will be fought even more bitterly than those of the

Men & Matters

Ward of the courts

"I don't believe in pulling rabbits out of a hat," said Trident Television chairman Ward Thomas yesterday as he set the stage for his attempt to retain the licences of the former Playboy casinos. "You can't go along with a lot of new names and expect the courts just to say we're all jolly good entirely by commercial IOUs.

chaps.'

And having aiready produced Peter Nievens, the immer Deputy Assistant Commissioner t Scotland Yard — when be first met at a preview of a Ynrisshire TV programme on the police — Thomas gave the extraordinary general meeting only one new name to conjure with: one-time Ladbroke casino manager Gerald Kushler.

Neither Slr Gordon White nor Charles Sweeney, the men who helped set up Trident's £14.6m deal with Playboy in return for a controversial 5 per cent of the new operation, will play any part in its management. "Not at all," said Thomas firmly,

But Jack Gill, the former ACC managing director, may still be one of the names to be plucked from Thomas's hat

at a suitable moment.
Gill, who has already been advising Trident on its venture, was not present at yesterday's meeting—with the row over his golden handshake coming up on Friday, one extraordinary meetng a week is probably enough for any man.

Despite some initial rumblngs over the Playboy purchase, bowever. Thomas yesterday saw it approved in a little over four minutes. No voices and only two hands were raised against

One of the dissenters, Ann Thomas (no relation) said she shareholders and had been losing confidence in its management for some time. She had



He says that nn no account are we to keep any money in

and you feel a little cowed

Kids' corner

One British export business that seems to be thriving is the servicing of overseas house-bolds with a traditional namy. Some 18 royal families around the world and bundreds more in the international upper-crust now take 75 per cent of the mannies placed by Sheila Davis's Bond Street

agency in London. The last two who have just left her books did so for salaries of around £12,500 a year in the Middle Eastmaking them, she believes, the the Yorkshire wool company, in highest-paid members of their her annual reports?) profession anywhere. Given

Britain's was one of Trident's founding ago has stood her in good stead. "My children were growing up," she says, "and I decided I wanted to go into business. 1 a long list of questions to put thought of a boutique, but my
—but didn't. "It seemed rather busband warned me against a
a sexist gathering," she said, atock-carrying business and busband warned me against a man-in-the-street.

suggested I went into a service against the use of businessman industry." She started off with

secretarial agencies and then incorporated a nursing agency.
After a request from Bahrain for a nanny, she put an ad in the newspapers—and was promptly inundated with requests from and for nameles. "Overnight I was in the nanny business," she says.

She gave up her other activities and founded Albemarle Nannies in 1976, charging clients 17.5 per cent of the nanny's anual salary as a hiring

fee. With 1,000 well-qualified women on its hooks, Albemarle is now the largest specialist agency of its kind in Europe. British nannies are in a class ni their own, she says. She had me herself and employed them for her own children.

Woe men

In the title of this column, I fear, men may find their last nominal refuge. For while the neatness of its alliteration—and They made no contributions to its all-embracing nature may ensure its survival, the feminist pressures to erase the very word man" from the English language grow.

The National Union of Journalists has now joined the move-ment by sending an "Equality Style Guide" to newsmen— sorry, reporters—like me who persist in writing about chairmeo rather than chairpersons. (Does Jean Marag Margaret

Tyrrell really feel any the less for being listed for the past 22 years as chairman of Sirdar, Alexander Pope would clearly

the problems of find it difficult today to publish more conventional his "Essay on Man." For the his "Essay on Man." For the experters, the advice Davis got NUJ exhorts me to wear synfrom ber busband some 14 years thetic fabrics not manmade; refer to workforce instead of manpower; ask the time of a police officer not a policeman, and seek the opinions of the thought of a boutique, but my average citizen instead of the The guide warns reasonably

as a synonym for boss; but bas though post-person sounds mar vellously metaphysical. In the end, I ask myself, how ever, will Westminster's ratepayers get a better service if I write (inacturately) about their refuse collectors instead

Export disorder

of their dustmen?

Some distinctly disgruntled comment from the Japanese Cahinet yesterday about the behaviour of some of that country's export salesmen hitherto heroes of the economic miracle.

Finance Minister Michio Watanahe complained hitterly that while the Government was "doing all it can" to resolve its economic arguments with other countries, the overseas staff of Japanese trading companies was not co-operating. They engage in drunken

night clubs, creating a bad impression," Watanabe alleged. They made no contributions to churches or broader humanitarian issues usch as the problem of refugees. Prime Minister Zenko Suzuki agreed that overseas staff would

have to pay "full attention" in future to ensuring they did not create "moral economic fric-Other Ministers suggested that

the companies' code of conduct might be revised-or, more threateningly, that expense accounts abroad might be taxed.

Asset stripping

A colleague in Aberdeen was passing a friend's house, and happened to glance in through the window. His friend was hard at work stripping the wall-paper. "Redecorating are you?" asked my colleague.

Observer |

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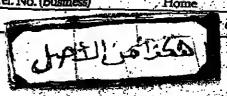
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The World Recession

Why oil prices must

remain high

Tilting into trouble

TRAIN OF THE FUTURE

By Lynton McLain, Transport Correspondent

BRITISH RAIL'S much vaunted 155 miles an hour advanced passenger train was to have started running again with passengers next Monday after its disastrous public debut last month. But that date has now The further delay is "to

ensure that we have the reliability we are looking for," BR said yesterday. The aim now is to run a "simulated passenger service"-normal service without the passengers in mid-February as a re-run of the trials strapped by British Rail just before Christmaa

The idea of co-ordinated project -management — common in other high-technology, high-risk, high-investment projects appears to have been either absent from the APT programme or to have become submerged as the scheme went ahead. The APT has also suffered from internal politics at British Rail and intermittent union problems.

The mechanical failures of the APT are now ao numerous that passengers could be for-given for re-naming the train the Accident-Prone Train.

The failures have included: The tilt mechanism the most novel mechanical feature on the train. This worked well on the original experimental APT-E, now in a museum at York. But BR changed the design for the so-called preproduction prototype trains, only to find in June 1979 on its first runs that It did not work as planned. Changes were introduced which in turn led to vear which last year represented the need for further, previously just 1.19 per enct of BR's untried, systems. The latest total investment of £223m. plan is to re-introduce a fift Since the pre-Christmas trials. system more akin to the

 The conventional hrakes have also failed on occasion. No solution is in sight to this problem.

Last month the hrakes came

on without warning because moisture in the compressed air A so far unexplained power

cut to one of the main drive motors last month stopped the tilt mechanism and swiftly brought the carriages upright with spectacular results. Cups, pletes and food defied gravity. flew through the air and caused-dismay among bewildered, fare-

it is still not clear why British passengers. The train is still of a seat on the TGV and at

clearly showing the symptoms £3.1m for a complete APT, the of sunder-development which capital cost of a train set is have become the main hallmark of the whole project. For the most recent problems have all occurred ofter the train has been tested and run for over

The APT had its origina in the 1960s when British Rall first bad the idea of using tilting technology for its high-speed trains of the future.

100,000 miles, almost half-way

to the moon.

Since then £37.3m has been spent by BR on the APT project, £8.2m on the research and experimental stage and £29.1m on the prototype stage to date. This amounts to about £2.66m a the Transport Department has revised the total so far spent by BR on the APT, to a new total to the end of 1981 of £43.4m. · By contrast French Rallways

have spent £800m on the new TGV 160 miles an hour passenger train project. This is based on new, double track running 257 miles from Paris to Lyon. The final section of this will open in 1983, when the APT will probably have just finished its 12 months of passenger trials.

The tilt system means that the APT should be able to take corners hetween 20 and 40 per cent faster than conventional trains. It also needs only a third In view of all these problems, of the power per seat of the is still not clear why British TGV; its cost per seat is Rail chose to accept fares from £55,250, just over half the cost craft technology.

£1m less than for a TGV. These advantages stem in large part from the novel use of lightweight extruded aluminium on the pre-production prototype APTs in a technique developed hy BR and Alusuisse for the

Back in 1967, when BR first discussed the tist, Britain was already in danger of getting left hehind by other countries which already had high apeed trains. "Bullet" train had been operating in Japan for almost three years. Two years later the government authorised

This "served its purpose." proved that the novel aspects of the train could work. There was a new suspension to overcome the problem that high speed coaches or wagons can literally shake themselves off the track and there were new hrakes to cope with the high speeds. There was also the tilt and the aluminium body.

But this experimental train

was never intended to carry passengers and was altogether a different animal from the electric APTs now struggling to enter fault-free commercial service. Nor was it ever used hy BR as a prototype to iron-out design and production problems. British Rail Engineering at Derhy, which built the train, was expected to use the experience to learn from acratch the expensive techniques of "zir

For example close riveting

techniques. streogth and smoothness on APT-E by workers more used to welding hefty steel structures

so expensive to BR to adopt, were used for just one train. Meanwhile the abundance of new ideas in the experimental APT caused delays with the test programme and stretched the resources of BR's research and engineering workers. The APT-E did not make its first run until five years later in July 1972.

acceptable with aerospace techniques. But these techniques.

Almost immediately the rail unions "blacked" the train. The unions wanted two driving seals; British Rail wanted one aeat. The unions won, hut the dispute cost BR a full year in

its test programme.
But the APT-P (for pre-production prototype) was to be a very different train from the experimental version, Gone was the advanced aerospace construction technique and in its place the search started for the "real novelty" of using very wide, very long aluminium extrusions automatically welded together, a technique never hefore used by BR. Dr David Boocock, the Inter-City design engineer accepts that this production process started off as completely unproven."

Under the burden of a completely new production process, a new power source -—and design changes with the resources needed, the Govern-tilt system. British Rail found ment will take a hard look at It impossible to meet its own BR's investment submission.

targets. The first complete train was to have been delivered by BR Engineering three years after the go-ahead, by mid-1977. Instead, only the first power car was delivered.

planned in June 1978.

This was five years after BR had taken the decision to build a prototype high speed tilting train, but this had not run, not even slowly. The first complete APT left Derby works for the Glasgow APT depot in February 1979, but four months was to pass before the train started its first experimental run. This was 12 years after BR had first thought of building a tilting train.

The failure to evolve production techniques for the APT led directly to the de-railment of the APT in April last year when an axle came apart. The bolts on the axle had not heen tightened properly.

By September last year the train was back on the rails, only to find that two more problems had emerged. The conventional hrakes on the APT dragged the train operated and BR was also coocerned at what might happen if the tilt mechanism failed. A tilt failure mechanism was installed about 18 months after the first test runs.

Dr Boocock insists that most of the APT's problems have not concerned the tilt mechanism or any fundamental problems. They have been more to do with 'nuts-and-bolts" problems.
This type of problem is likely

continue. Further design changes, some of them substaotial beyond the current resources of British Rail, and subsequent testing, will he made to the full production APTs.

BR wants the Government to give the go-ahead for a £286m programme for a fleet of 60 APTs and associated depot installations. But given BRs record in managing the current £43.4m programme, the 15 years it took from conception to last month's unsuccessful passenger runs, and BR's own admissions electric instead of gas turbine of its inability to provide the

ing the effects of economic recession. Since 1973, growth in all memoer-countries of the Community has European ployment problems have become

BR now blames industrial disputes, incomes policy and "people using APT as a lever" acute almost everywhere. Over 8 per cent of the EEC labour for their own eods. The first force is now unemployed and by passenger coaches were started 1985 the figure could well reach in June 1976, but were de-12 per cent if present policies livered a year later than continue.

The recession is widely blamed on internal weaknesses, such as persistent inflation, faulty government policies, low productivity growth and inadequale structural change. It is to remedy these supposed problems that most member governments are at present attempting to cut hack public spending and borrowing. The dual aim is to curb inflation by ficancial restraint and to improve the international competitiveness of European iodustries by giving freer rein to market forces.

Our study of the European Community's economic problems and prospects* leads us to question this diagnosis and to reject as wholly inappropriate the policy prescriptions which arise from it.

In the first place, the slowdown in economic growth was too sudden and uniform across EEC countries to have been plausibly caused by inflation or supply-side rigidities. Second. it is hard to say that Europe's industries are in general uncompetitive when they still dominate world markets and when import penetration from the rest of the world is still negligible.

The record trade deficits experienced by all EEC countries except the UK are due largely to depressed markets in oil-importing countries all over the world rather than to a failure of European industries to hold on to market shares.

Third, the internal problems identified as causes of the recesslon—the fall in productivity growth and the deterioration of government finances - are in reality largely consequences. In our view, the recession was initiated and has been sustained

hy external rather than internal forces in the form of a worldwide scarcity of energy. This has held back economic growth in Europe and the rest of the world through lucreases in the price of oil. These have led governments in oil-importing countries to deflate domestic

physical materialising. The present oil glut-and the downward drift in ing. But exhaustion of easily prices-is entirely due to the accessible energy sources in or alowed considerably and unem- low level of economic activity near the main consuming areas

appear if growth were resumed.

Although Opec is a marginal supplier of energy to the non-resolve if its own recession is Communist world, it is Opec to be brought to an end. Europe production which in the past has expanded and provided the extra fuel needed for world economic growth. Between 1965 and 1973 Middle East oil production grew by 13 per cent a year to enable the world economy to grow hy 5 per cent

Iain Begg, Francis Cripps and Terry Ward of Cambridge

University argue that governments have

adopted the wrong policies to cure the recession.

a year-a two and a half fold increase in production in just eight years

If economic growth had continued at its former rate, and given the changes in energy saving and energy supply elsewhere which actually occurred. Middle East oil exports would have had to double again hy 1980 and again, no doubt, well hefore 1990. This trend had to stop sooner or later.

So far. Opec has twice called halt and put Its price upthe timing influenced as much by political events as hy economic considerations. The price, however, has still not proved high enough to stimulate energy saving and expansion of alternative sources of supply at the rate required to permit world economie growth at its former rate, though it has been financial hardship for many lowincome countries.

Although energy supply and the pattern of use are not entirely unresponsive to the world oil price, the response so far has been very slow in relation to need, desplte huge price increases since 1974. Progress

BRITAIN is not alone in suffer- demand, so preventing any new sources of supply and some energy constraint countries, notably Japan, bave which these policies have continuously diminishes the caused and would quickly distotal supply available.

This is the main

which the EEC must help to as a whole is too large in the world economy to evade the global constraint by out-competing everyone else and huying up all the energy it needs. There are too many other energy-hungry parts of the world which, hy fair means or fnul, have to provide for their own survival. Eveo if Europe's industries were the most efficient in the world, it would still not guarantee full economic recovery. And to the extent that Europe can ease its problems by this means, it is only at the expense of condemning other parts of the world to continued recession sod, io many cases, to

worsening poverty.

The policies necessary at the international level to generate recovery can be stated quite simply. They are: the accept-ance of a high world uil price as the only effective means of niaintaining continuous pressure for energy saving and the development of new supplies: the willingness to horrow on a large scale to finance the counterpart deficits to Opec surpluses; and greatly increased aid and/or trade concessions to low income countries

It is much harder to envisage agreement being reached on these policies at the EEC. or world, level within the timescale required materially to affect economic developments up to 1985 when individual countries vary so much in their vuloerability to oil price increases and their horrowing potential.

As yet, the collective gain from a global effort to overcome energy scarcity has hardly been recognised. Governments are preoccupied with curbing inflation through restrictive fiscal and monetary policies which will prolong recession and, hy holding down the world price of oil, make the underlying problem more intractable.

This piece is based on the latest Cambridge Economic Policy Review (Vol. 7. No. 2) to be published on January 11. It can be obtained from Gower Press, Gower House, Croft Road, Aldershot, Nampshire, GU11 3HR.

Letters to the Editor

Immunity clause in Lloyd's Bill

From the Chairman, Liloyd's hyelaws. In fact such an amend- safeguard the interests of the grants Sir.—I read with interest your ment is unnecessary since the leading article of January 5 current drafting of Clause 11 that they henefit from a properly entitled "Tying up the Lloyd's includes just such a limitation; self-regulated market. For this Bill." You quite rightly point to Sub-Clause (3) makes it clear reason f am unclear as to why the importance of the Bill, the clear restraint on suit only you think that the Clause close examination and wide applies when the Society is creates a tension. Detween debate which it has already exercising a power or duty received, and the utmost importing imposed by the Act; there is an tance of the legislation being absolute exclusion of any act

The first is your suggestion "uttra vires," remains. This that an amendment might be right is entirely unaffected by necessary to ensure that the Clause f1. Society and Council would not My second hrief point is to be protected by the provisions emphasize that Lloyd's seeks for restraint on suit for civil the inclusion of a measure of and beyond "the duties imposed not only to safeguard the holder Lloyd's, on them by the new Act and its of a Lloyd's policy, but also to Lime Street, EC3

Secure form of

From the Group Credit

Mnnager, Cope Allman

Sir. — Mr. John Brodrick (December 15) talks of

"secure payment to replace the letter of credit," yet we have in a confirmed and irrevocable letter of credit the

most secure form of payment

one could devise. It guarantees

that the banks, in their role as agents to your customer, will pay you. What it requires in

return is great care with the

presentation of shipping docu-

ments that go with the letter

of credit, but that is no more

than one would expect when a

hank is irrevocably committed

to paying you simply by accept-

ing a few sheets of paper on

which it must rely as collateral.

firmation and obligation has never guaranteed payment from-

hanks or customers. Once it is

confirmed and irrevocable, how-

ever, then you, the seller, are

safe and payment has to be

cember 16 your Far East editor

which do not pursue the con-

cept of free trade impose hlock-

intricate web of red tape so as

to inhihit, if not absolutely to

raises an issue of the utmost futures

prompt

L. Scruton,

37, Hill Street, W1:

From Mr D. de Saxe

agreements

Flouting of trade

A letter of credit without con-

payment -

International:

enacted as soon as possible. done in had faith; finally, the
May I he allowed to deal with general legal right to challenge
two points raised in your leader, any action of the Council as
The first is your suggestion "likera vires," remains. This

damages if they acted "above restraint upon suit in the Bill, Peter Green.

cept of trade reciprocity. They

specifications which produce the

effect of almost total discrimina-

tion against legitimate imports.

your Far East editor. An effec-

it to an end is indicated by

importation of Japanese motor-

vehicles. By the imposition of

similar blocking tactics, all EEC

countries should refuse to im-

Japanese origin until such time

to put them into practice.

what have we to lose?

Mayford, Woking, Surrey.

Milfoil House, Woodpecker Way,

Sir,-David Lascelles' Lom-

remarkable.

D. A. de Saxe.

tunately, there exist certain reason. Ten years ago there Michael Spencer,

major trading nations, signa, were no interest rate futures 135, Portland Road, W11.

Sir. — In his article of De- Success of financial

duced domestically. Unfor them, do not exist without a

significance. Many countries From Mr M. Spencer

the interests of those that seek insurance from the market and the members who put up the capital to allow the market to function." It is my profoundly beld view that Chause 11 is needed for the general interests of Lloyd's itself-that indeed that can be its only justification —and that the community of Lloyd's will be hetter off with the Clause than without it.

tories to GATT, whose authorimarkets-there was not much ties behave in the same way, deliberately ignoring the conneed given the relative stability of interest rates. Today, on a reasonably active day, the Chicago markets will turn over also impose a network of absurd but carefully phrased rules and \$40bn worth of these instruments. .The reason is pretty obvious to anyone who looks at the record of interest rates over the past two years—unprecedented swings have taken place in extraordinerily short periods. Such flouting of trade agreements is widely practised hy Japan and is well illustrated hy These volatile movements in rates have made long term by satellite financing either unobtainable or tive method by which to bring exorbitantly expensive to the majority of borrowers. Short or medium term financing has now Italy's sensible attitude to the become the rule and borrowers are consequently exposed to considerable finctuations in the port any goods whatsoever nf cost of their money. What is

as the Japanese are brought not also true for lenders nnly to understand their two-Virtually every bank, corporaway trade ohligations but also tion. Government and many individuals have interest rate The effect of such action on exposure. Futures offer the nur economies and manufacturopportunity to offset all or part ing employment levels would he nf this risk both easily and cheaply (in transaction cost One becomes tired of the glib terms). Conversely, those who response to a suggestion such are less risk averse, can specuas I have outlined that import late on anticipated rate changes.

true for borrowers is, similarly,

protectionism, bowever dis-guised, would lead in the long Like any financial innovation, interest rata futures have come in for their share of criticism, run to reduced export opporusually from those who do not tunities. When we enjoy no really understand them. There exports in speak of in Japan, is bowever no shortage of corporate and hankers treasurers who have found futures extremely useful and versatile. Certainly some of the new contracts proposed by some exchanges may seem a little esoteric but, like any market, their success will ultimately depend on whether there is genuine need and bence usage. To date financial futures have bard column, "Gambling on the ing regulations, weaving an futures market" (December 17) enjoyed a most remarkable sucdeserves a reply.

Interest rates futures, new cess—they have grown from prohibit, the importation of fangled and fashionable as Mr nothing to become one of the goods competing with those pro- Lascelles accurately describes most heavily traded markets in

EEC regional fund From Mr A. Peorce, MEP

Sir. — EEC regional fund grants are supposed to he additional to British expenditure and, therefore, readily identifi-able as such. Yet the money is, so far as f can see, received from Brussels, put into the national kitty and disappears from view.

This hreach of the principle of additionality is particularly frustrating to those who sup port Britain's EEC membership because the public, which hears so much about what the UK puts into the EEC, is denied the chance to hear what we get out of it, especially in areas like Merseyside which do quite well out of the fund.

Let us hope that the British Government will change this policy (which it inherited from Labour) and "come clean" on its handling of this money. Andrew Pearce, 30, Grange Road West Kirby, Wirrol,

Direct broadcasting

Merseyside.

From the Director of Information, Home Office Sir.-Mr W. K. Stevenson

(December 18) did scant justice to the issues to which he addressed himself or to the problems of radio frequency management. I could not do justice to these matters in the compass of this letter, but his principal assertion, that the Home Office inteods virtually to block satellite broadcasting in the foreseeable future, is one which at least I might he permitted to correct.

Last May the Home Office published the report of its study of direct broadcasting by satellite (DBS). In his foreword to the report the Home Secretary said that the Government believed that a positive approach to the challenge which DBS presents was the right one. and that it was prepared to give serious consideration to a modest early start. Comments on the report were invited; many have been received and are being considered; and, in a recent debate lo the House of Lords, Lord Belstead indicated that the Home Secretary hoped to he in a position to make an announcement about-IPBS in the New Year. In the circumstances, Mr

Stevenson's strictures hardly seem justified. the world in roughly five years. D. D. Grant. Queen Anne'a Gote, SW1.

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Aupust of the same year the Sinking
Fund instalments dae 1st Janaary 1922
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1981.

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FINAL RECEMPTION

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Pleasurama improvement blunted by Gaming Tax

COLCETA, and amusement improved from \$4.6m to £5.58m, Mr George Martin, the managing director, says the profits would have been some 1950,000 higher had it not been for the new Gaming Tax

Of this total, he says £650,000 was the group's share of the tax on its two associate companies the Ritz Casino and Casanova Clab-which were harder hit by the duty than its provincial casinos. However, he regards the overall increase in profits as very satisfactory."

The associates' share of the profits was up from £2.1m to £7.21m. Group turnover rose from £127m to £16m in the year to September 30 1981. At the interior control of the profits in the profits of the p interim stage, pre-tax profits increased from £1.53m to £2.09m from higher turnover of Elism

The final dividend is noisted from 4.50 to 7p for 2 total up from 6.5p to 9.5p. A one-for-one

Investment Co. revenue ahead midway

After fax of £22,846, compared with £69,929, revenue of the Investment Company came out ahead from £144.454 to £170,764 for the six months ended September 30 1981.

Earnings per 25p share are shown as 2.44p, against 2.06p, and as usual there is no interim dividend-fast year's single payment was 1.75p net per share. Total income for the half year amounted to £311,374 (£276,154). The ultimate belding company is New Centurion Trust.

Winterbottom **Energy Trust**

Pre-tax revenue of the Winterbottom Energy Trust feel from £767,699 to £351,339 in the year to November 30 1981. The directors point out, however, that the figures cover a transitional year during which the company changed its role from that of an orthodox diversified investment trust to that of a specialist trust investing exclusively in energy and energy related stocks.

A year ago it was estimated that such a portfolio would produce earnings per share of 0.5p and a dividend of 0.5p was forecast. Earnings are in fact 0.72p (2.02p), and the final dividend is 0.45p making 0.65p (2p, after sub-division of shares). Net asset value per share is 78.5p (82.3p).

Tax for the year took £156,842 (£261,268).

YEARLINGS

The interest rate on this week's issues of local authority yearling bonds is 151 per cent, compared with 15% per cent last week and 13% per cent a year ago. A full list of this week's issues will be published in tomorrow's editions.

Pleasuranz, the entertainment share rising from film to improvement from provincial £1.24m. After minorities of \$29,000 (£25,000). attributable existing units. This year should

> The group opened three new casinos during the year and acquired one other. Mr Martin says he believes there are opportunities to buy more provincial easinos, and the group is still interested in expanding in Lon-

> Commenting on other parts of the group, he says there was "solid growth" in the amusement parks and areades division, with profits up by about 10 per cent. Catering turnover rose by 15 per cent, with a similar increase in profits, while dance halls increased their contribution by some 10 per cent. Perform-ance overseas was not dra-matic —but this is a very small

justice for an extra film was lost rumours

ALTHOUGH PRE-TAX profits of £2.37m to £2.76m, with associates in increased gaming tax. The DESPITE PRESSURE profits were £2.79m compared be even better with significant with \$2.21m. Stated earnings per contributions from four new out-5p share rose from 33.8p to 42.8p. lets. The company, particularly with its 25 per cent stake in the Ritz Casino, has benefited from the carnage among many of its competitors. Pleasurama has cash of £4.5m with no borrowings. Expansion is unlikely to encompass

diversification, so the shares ould remain the purest casino investment around with about 80 per cent of profits coming from gaming. The 55 per cent rise in the final dividend still leaves the total of 9.5p covered 41 times, yielding 4.6 per cent. The share price fell 5p yesterday to 305p, but this should be set against an and this should be set against an increase of around 25 per cent in increase of around 25 per cent in group, which specialises in this group, which specialises in the speci over the last five years. Grand Metropolitan still has 28.7 per Pleasurama's 21 per cent rise in cent of the equity, but its Ameri-pre-tax profits does not do it full can adventures have stifted bid

Halma rises and pays more after six months

TAXABLE PROFITS of Halma advanced from 5578,000 to 5837,000 for the 27 weeks to October 3 1981 and the net interim dividend is being effectively increased from 0.468p to 0.561p. A final equal to 0.75p was

It is pointed out that the group, which manufactures safety systems, fire and environmental control equipment and specialised engineering equipment, has con-tinued to generate cash at 2 satisfactory rate and that the net cash position at October 3 was significantly higher than a year

The directors say the strongth the group has displayed during the recession indicates that its companies are now substantially acclimatised to the conditions. They feel with some confidence that even if the economy were to remain at its present depressed

look forward to a satisfactory growth in profitability. Turnover for the half year rose from £7.12m to £8.02m. The pretax profit was after lower interest of £11,000 (£46,000) and the ntiributable figure, £397,000 (£322,000) was after minorities officiality of £5,000 (£3,000). Stated earnings per 10p share

comparisons are for a 26-week In December Halms purchased the Hanovia Group of Companies. Their products will "fit well within the environmental control division and it is believed they hold considerable potential for

further development. Volumatic, bought in January last year, has proved a very satisfactory acquisition, comfortably exceeding its budgeted profit for the period under review

Northern Foods outlook

FURTHER PROFIT improvement is expected by the chairman of Morthern Foods, Mr Nicholas Horsley despite the problems he sutlines with Government policies, high interest rates on both sides of the Atlantic, and the Common Agricultural Policy. Pre-tax profits rose by £3.07m to £34.63m for the year to September 30 1981.

special milks.

On November 10 the company announced a rights issue to raise £41m. The proceeds, says Mr Horsiey, are partly to offset borrowings but also to enable the company "to take advantage of opportunities for further acquisitions." On November 10 the company

Avana Group rose to 20.5 per cent in the last financial year. Mr Horsley states that the pro-portionate share of Avana Group profits will be incorporated into the next group accounts.

The company has announced an increase in its nuthorised capital from £56.5m to ...67.5m by the creation of a further 44m ordinary shares of

with two new factories, and Fox's (£117.88m). Total fixed assets Biscuits, with a major development to improve efficiency. The funds will be spent at and net current assets were further funds will be spent at and net current assets were further funds will be spent at and net current assets were further funds will be spent at all the spent at al Northern Dairies on developing slightly ahead at £27.6m against £25.49m previously. There was a decrease in borrowings of 68.18m compared with an . increase last time of £27.21m.

Current cost figures showed pre-tax profits of £26.49m (£24.38m) on turnover of £743.3m (£581.54m).

at £3.37m halfway

engineer Howden Group increased taxable profits £3.05m to £3.37m in the first six months to October 31 1981.

Sir Norman Elliot, chairman, says the activity level remained satisfactory, liquidity is sound and the gearing ratio improved. He anticipates that the first half profit trend will continue in the second six months and liquidity will remain strong. The directors intend to declare

an interim dividend of 1.45p (1.33p) net per 25p share in March. Last year a total of 4p was paid on taxable profits of £7.75m. Earnings per share for the six months are given as

A now-familiar scene was enacted yesterday when Howden Group yesterday when Howden Group brought out modestly improved results and a couple of pence were shaved off the share price. Howden shares have easily out-run the market, rising at about 35 per cent a year over n period stretching back to 1974. Now 150p, they seem in recent months to have reached a level from to have reached a level from which it will be difficult to stage a further breakthrough. Howden level the group should be able to has a good stock of orders, especially in Canada and South Africa, and work on AGR con-tracts will lift profits for two or three years after 1983. From that point, however, assumptions about further demand for unclear nower stations—and gascooled systems in particular-become crucial, and the signs are not favourable. For all that, a fully taxed p/e of 11 discounts improved to 2.04p (1.64p). All steady progress over the medium term, in the direction of £84m perfore tax this year and perhaps £9 m in 1983. A yield of 44 per cent emphasises that Howden paper is now quite highly rated. The moment may be approaching when Howden could reasonably exploit this rating in order to broaden its technological range and reduce its dependence on the

Increase in Devenish property value

noclear industry.

A property revaluation as at October 2, 1981 has revealed a £26.6m increase in the fixed asset value of J. A. Devenish and Company, Dorset-hased The hasis of the revaluation

was the market value of properany nse and the hrewery industrial premises were valued on a depreciated replacement value basis. The value of all properties is now £34m.
In his chairman's statement

Mr A. E. Ledger-Hill, who will be retiring at the AGM on January 27 and will be appointed president of the company, says that while beer production nationally was down 5 per cent in 1981, total beer sales of Devenish fell by only 1.7 per

He reports that the company sold a much larger proportion of its own brewed beers. In anticipation of a poor year, overheads and distribution costs were firmly controlled and the loss et the Greenbank Hotel was

The Greenbank bas now traded for a full year, having been closed for three months during the previous yeer. It is now showing continued improvement in all aspects, says Mr Ledger-

Receivers appointed at Youngers

Guy Parsons and Richard Aguster, partners in chartered accountants Peat, Marwick, Mitchell and Co, have been appointed receivers and appointed receivers and managers of Younger Furniture. managers of Younger Furniture.
The company manufactures dining room and occasional furniture in London and Andover, and employs 120.
The joint receivers intend to allow the company to trade with a view to selling the business as a going concern. going concern.

Abbey £2.5m expansion

A £2.5m expansion of its toolmaking interests is announced hy Abbey, the Duhlin housebuilding, property development and industrial group with half its business in the UK.

Under the plan Abbey is to establish a tool room in Dun Laoghaire to manufacture large tools for the computer, furniture. leisure goods and antomotive industries. .

It is also to set up specialist facilities in Sligo to produce micro-miniature tools for the electronics industry.

UTD. CARRIERS NAME CHANGE

United Carriers proposes to change its name to United Parceis. It is also proposed to restructure the internal trading arrangements of the group. Principal parcel operations will continue to be undertaken by a publisher which will also be the proposed to the propose subsidiary which will change its name to United Carriers.

Howden Gp. Owners Abroad Grp unlisted quotation

THE FULL prospectus is of self-catering holidays over-published for the placing by Le seas. Owners is launching itself Mare Martin of 6m shares in on a fully taxed p/e of S.6 his-Owners Ahroad Group, the com- toric which gives room for a few for the company (to cover the costs of the reverse takeover) and £500,000 for the vendors of Owners Abroad.

Owners was caught out holding prices when surcharges were going up in leaps and bounds the record is impressive enough. And according to the directors the upward curve shows no signs of weakening. The optimism is based upon the increasing flow

pany which has reversed into pence premium when dealings Kintyre Tea and will be traded start. The directors are not the Unlisted Securities taking much from the issue-Market starting next Monday.

The placing is being made at houses they paid themselves the 100 B share, par, raising £100,000 previous year as a private comfor the company (to cover the pany. Capital gain may be more tax efficient hul the real motive behind the USM move seems to be the opportunity to use paper to enlarge the lessure interests Also a quote gives the small band of people running the company lucrative way out when the time comes to stop selling airline ROSEHAUGH, the property tickets and start growing roses. Company in which Mr Godfrey scene last December," he said, the group chairman, the group chairman, without our interest it would probably fall back again."

Bradman, the group chairman, would probably fall back again."

Brackets in the mind, has a 25.7 per cent interest, yes.

Fledgeling share placing to gain improved status Fledgeling Investments, an The directors intend to recom-investment company formed in mend an unchanged dividend of

investment company formed in mend an unchanged dividend of 1962 by a number of investment 2.175p per share for the current trusts associated with Robert year.

The shares in the placing are the market with a placing of 2.3m ordinary character at 58.5m per nodders. Following the placing ordinary shares at 58.5p per share. This amounts to 18.6 per cent of the company's issued

The purpose of the placing, being made by Robert Fleming, is to gain a Stock Exchange listing for Fledgeling to gain approved investment trust status. Fledgeling has a diversified portfolio and has invested in ompanies, both listed and unlisted which, for reasons such as small size, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by its

Net asset value has grown from £2.7m or 21.3p per share at January 21 1976 to £9.5m or 76p per share at December 29 1981. Borrowings et December 11 consisted of a £0.5m 61 per cent debenture stock and £2,000 in

£257,000 in the year to January 21 1977 to £470,000 in 1980-81 and £208,000 in the first half of For those interested rose from £141,000 to £287,000 and £121,000 in the first half of the current year. Dividends per share were 0.825p in 1976-77, rising to 2.175p last year.

SHARE STAKES

John Laing—E. H. Ballard, shares by purchase of 25,000 at director, has acquired 20,000 17p.
ordinary shares.

Bazaloni Holdings — On ordinary shares.

Sphere Investment Trust—
Standard Life Assurance now holds 2,245,000 shares (7.56 per shares in Bazaloni (8.99 per cent)

1981.

A record capital expenditure

25p each.

25p e

ordinary shares.
Federated Land—J. H. P.
Meyer, director, has disposed of
1.6m shares and now bolds 1.6m shares and now bo 800,000 shares (7.3 per cent). Berwick Timpo—Jove Invest-men Trust on December 23 bought 200,000 shares making holding 450,000 (8 per cent). Garton Engineering ---

December 21 Primrose Hill Securities purchased 40,000 ordinary shares at 21p.
Britannic Assurance -Following upon John A. Jefferson becoming first named executor in

z deceased estate, he now has a non-beneficial interest in 33,890 ordinary stock units. Barratt Developments
Standard Life Assurance controls,

through various holdings, 3,843,970 shares (5.2 per cent). Caravans International -- S. Alper, chairman, has increased his holding to 1,018,513 ordinary

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event and Possfund Nominees 6.4 per cent. Brokers to the placing are Carr Sebag and Co. Dealings are expected to begin on

being sold by existing share-nolders. Following the placing,

Anglo-American Securities Cor-

Anglo-American Securities Corporation will hold 24 per cent of
the shares, First Scottish
American Trust 6.4 per cent,
Robert Fleming Investment
Trust 5.1 per cent, NC Lombard
Street Nominees 8.4 per cent,
North American Trust 7.2 per
greet and Possfund Nominees

January 12.

Specialised investment trusts bave been popular of late, but Fledgeling shows the merits of building a highly diversified portfolio of small or unusual equities. Among general trusts, very few have surpassed its 257 per cent rise in asset value since 1976. A lot of Fledgeling's debenture stock and £2,000 in debenture stock and £2,000 in bank loans. Fledgeling also had underwriting liabilities of the liability for capital gains tax the liability for is to be lifted, the trust may become a more daring investor. the current year. Net revenue potential excitement of this type after tax over the same period of vehicle, the 23 per cent discount to net asset value makes Fiedgeling look attractive compared to recently isonched trusts with similar policies. The yield

LONDON TRADED OPTIONS Jan. 5 Total Contracts 1,957. Calls 1,342, Puts 515. April

Vol.

10

at £7 per share. Also Walter Duncan and Goodricke sold to Win Low and Co.-Mr L W.

Stewart, director, has do do of 20,076 ordinary shares, non-Parkland Textile (Holdings)-

Parkiand Textule (Holdings)—
Paul Henry Thorariun Hanson,
director, as trustee acquired
43,204 "A" ordinary (0.80 per
cent). Total holding as trustee
now 171,860 "A" ordinary (3.19 per cent). Sir Richard Denby, director, as trustee acquired 43,204 "A" ordinary (0.80 per cent). Total holding as trustee now 427,678 "A" ordinary (7.9 per cent).

Sterling Industries — Peter Neville Buckley, director, on December 29 1981 disposed of as an executor, 50,000 ordinary.

James Finlay—John Swire and Sons acquired 135,000 ordinary stock units and now bolds 17,313,822 ordinary units (29.997

July

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C=Call

P&O (c) P&O (c) P&O (c) Racai (c) Racai (c) Racai (c) Racai (p)

73p

183p

123p"

409p

76p"

Closing offer

Vol

31

DIVIDENDS ANNOUNCED

sponding for div. year 0.47* payment payment int 0.56 Feb. 15 Pleasurama Winterbottom Energy... Dividends shown pence per share net except where otherwise stated. 'Mar. 9 * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ After sub-division

Rosehaugh's £19.7m bid for London Shop

Bradman, the group chairman, has a 25.7 per cent interest, yes-terday launched a £19.7m bid for

The offer for the London Shop ordinary is 135p a share, 2p below Monday's close. London Shop shed the 2p margin yesterday to close at the bid level, while Rosehaugh closed unchanged at 250p.

changed at 250p.

Stock market reaction yesterday was that the bid was unlikely to succeed. London Shop's asset value, diluted for the convertible which is presently under offer, is 209p a share according to its advisers, J. Henry Schroder Wagg. Fully diluted, and allowing for London Shop's own proposed merger with its sister composed merger with its sister company, Beaumont Properties, the figure would still be 198p a share. Mr Bradman was not impressed Some this argument last night. To London Shop's share price was

Rosehaugh took a 214 per cent stake in London Shop at the end the equity and 6.5 per cent con-vertible of London Shop Property of December when it exercised an option to acquire a parcel of shares from McLeod Russell.

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RO C F.10 RO P F.8 RO P F.9 UNIL C F.15 UNIL P F.13	0 66 6 -	4.50 1.40	230 41 5 3	1.60 6.50 7 6.30	11.	<u> </u>	F_148,70 DM150,58
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The IC News Letter is the United Kingdom's leading investment newsletter. It has a record of share selection which is seldom bettered. Take last year for example. Stockbrokers, Seymour, Pierce & Co., published n table which showed that the IC News Letter's Star Nap Salections for 1980 (Its tips for major capital growth throughout the year) had substantially out-performed any of its rivals.

Turbulent years such as 1981 test the nerve of every trivestor. Yet some of our 1981 Nap Selections are still showing gains. Our record over the past few years supplied the start of the selections. An outstanding record over the years

The IC News Letter has made consistently outstanding recommendations for many years. And they have not been confined solely to Nap Selections. For instance, look at the following shares showing percentage increases at postselection highs. 1976 Famell Electric 2.340%

1977 Automated Security 1977 White Industries 1978 Basic Resource Int. 1980 North West Mining

The average percentage appreciation in the recommendation price of all stams selected by the IC News Letter in 1977 at their highs (51 in all) was 244%. The 1978 Selections averaged 119% at their highs. In 1981 the News Letter has pinpointed some outstanding opportunities. F

336%

corrently UP 65% • 1981 currently UP 46% • Mitel Corporation Brunswick Corporation: Jackson Exploration A complete investment strategy

The key to investment strategy is to understand the underlying trends controlling the market, to have the proper balance in your portfolio and to be aware of the right buy and 'self signals. As well as providing recommendations the IC News Letter offers advice in all these areas. In other words we do the groundwork. All you have to do is apply it. The time to start is now!

The potential for gains is enumerous, even in the current volatile market. Why wait for the index to start rising before planning your strategy? By that time you may have missed the earliest and most lucrative opportunities. Make a new start with our Star Nap Selections for 1982!

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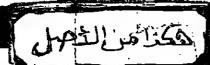
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December, 1981



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rites to Norman Fowler saying petrol price increases thresten ansport of people & freight Aug18-6b; claims on petrol prolit

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Fledgeling Investments

Public Limited Company

(Incorporated under the Companies Act 1948 No. 552775)

Placing by

Robert Fleming & Co. Limited

of 2,344,600 Ordinary Shares of 25p each at 581/2p per share

payable in full on application

The Ordinary Shares now being placed will rank in full for all dividends hereafter declared or paid on the Ordinary Share Capital of Fiedgeling.

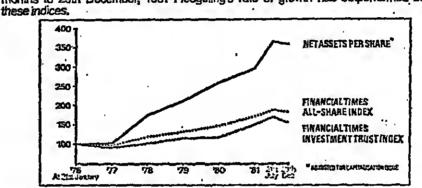
SHARE CAPITAL Issued and fully paid **Authorised** 12.569,480 3,142,370 Ordinary Shares of 25p each 13,200,000 3,300,000 INDEBTEDNESS At the close of business on 11th December, 1981 Fledgeling had underwriting liabilities of £35.500, and had outstanding unsecured bank borrowings of £2,100 and £500,000 6¼ per cent. Debenture Stock 1988/93 secured by a first floating charge on the assets of Fledgeling. Save as aforesaid at that date Fledgeling had no long charge on the assets of Fledgeling. Save as aforesaid, at that date Fledgeling had no loan capital (including term loans) out-standing or created but unissued, and had outstanding no mortgages, charges, or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances, or acceptance credits, hire purchase commitments, guarantees or other material contingent liabilities. DEFINITIONS - Fledgeling Investments Public Limited Company Fledgeling - Robert Fleming Holdings Limited Robert Fleming Holdings - Robert Fleming & Co. Limited, a wholly owned Robert Fleming subsidiary of Robert Fleming Holdings Robert Fleming Investment Management Limited, a wholly owned subsidiary of Robert Fleming Holdings Robert Fleming Investment Management Robert Fleming Services - Robert Fleming Services Limited, a wholly owned

SELECTED INFORMATION The following information is derived from the full text of this document and accordingly must be read in conjunction with that text.

Fledgeling was formed by a number of investment trusts associated with Robert Fleming so that they could have a vehicle for investing in companies, both quoted and unquoted, which, for various reasons such as smallness, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by them. Fledgeling holds a broadly diversified portfolio of investments with no restrictions as to business sector. The majority of the unlisted investments are in established companies and only occasionally does Fledgeling invest in venture capital "start-ups". It is the intention of the Directors to continue this investment policy. Placing Statistics
Placing price per share... 58.5p 76.0p 23.0%

Estimated net asset value per share. Discount on estimated net asset value 2.175p 5.3% Dividend forecast for year ending 21st January, 1982 (net) per share Yield (gross annual equivalent) at the placing price. 12,569,480 Issued Ordinary Shares. Market capitalisation at the placing price.

Over the period from 21st January, 1976 to 29th December, 1981 (the latest practicable date before the issue of this document) Fledgeling's net assets grew from 21.3p per share to an estimated 76.0p per share (adjusted in each case for the capitalisation issue effected on 5th January, 1982). This performance is reflected in the graph below and is compared with the Financial Times-Actuaries All-Share and Investment Trust indices. Over the five years, eleven months to 29th December, 1981 Fledgeling's rate of growth has outperformed both of



Over the five years, eleven months to 29th December, 1981 Fledgeling's net assets per

BOARD OF DIRECTORS

DAVID MITCHELL COOKE DONALD, W.S., F.C.I.S. (Chairman), 8 Crosby Square, London EC3A 6AN

ALEXANDER KIDD AITKENHEAD, C.A., Belsize House, West Ferry, Dundee DD5 1NF GERALD JAMES AULDJO JAMIESON, 8 Crosby Square, London ECSA 6AN

ALLEN EDWARD WYNN RUMSEY, M.C., F.C.A., 72 London Wall, London EC2M 5NF ANDREW MICHAEL USHER, 46 Castle Street, Edinburgh EH23BR

Investment Manager ROBERT FLEMING INVESTMENT MANAGEMENT LIMITED. 8 Crosby Square, London EC3A 6AN

Issuing House ROBERT FLEMING & CO. LIMITED, 8 Crosby Square, London EC3A 6AN

Brokers CARR SEBAG & CO., Windsor House, 39 King Street, London EC2V 8BA

Auditors and Reporting Accountants

Secretary and Registered Office ROBERT FLEMING SERVICES LIMITED,

P&O Building (2nd Floor), 122 Leadenhall Street.

London EC3V4QR

Solicitors LINKLATERS & PAINES, Barrington House, 59-67 Gresham Street, London EC2V 7JA

ERNST & WHINNEY, Chartered Accountants, London ECTY 4SY

Bankers ROYAL BANK OF SCOTLAND, 3 Bishopsgate, London EC2N 3AA

Registrars and Transfer Office GRANBY REGISTRATION SERVICES, Boume House, 34 Beckenham Road Beckenham, Kent BR3 4TU

Trustees to the Debenture Stockholders ALLIANCE ASSURANCE COMPANY LIMITED, 1 Bartholomew Lane, London EC2N 2AB

INTRODUCTION

associated companies

Robert Fleming Group

Assets

subsidiary of Robert Fleming Holdings

- Robert Fleming Holdings, its subsidiaries and

Fledgeling was incorporated in England on 30th July, 1955 under the name of Atomic Securities Trust Limited. On 12th April, 1962 Fledgeling adopted the name Fledgeling Investments Limited and commenced business in that year. Between 1962 and 1970 Fledgeling increased its paid-up capital from 580 at 21st January, 1962 to £1,571,185 at 21st January, 1971 by way of rights issues and placings at net asset value. On 5th January, 1982 the paid-up capital was increased to £3,142,370 by way of capitalisation issue.

capitalisation issue.

The Board of Fledgeling has been considering how best to deal with the potential capital gains in its investment portfolio. If all Fledgeling's investments had been realised at 29th December, 1981, the latest practicable date prior to the issue of this document, there would have been eliability for corporation tax on its capital gains of approximately £1.56 million. Such amount would (after adjustment for the tax on its capital gains of approximately £1.56 million. Such amount would (after adjustment for the capitalisation issue effected on 5th January, 1982) represent 12.4p per share out of the estimated net asset value of 76.0p per share. Fledgeling is subject to corporation tax on its capital gains because, not having a listing for its ordinary share capital on a recognised stock exchange, it does not comply with section 359 of the Taxes Act 1970 (as amended) and is not therefore an approved investment trust. In all other respects Fledgeling has complied with that section. In addition, whilst Fledgeling satisfies the requirements for treatment as an investment company under section 41 of the Companies Act 1980 and has given notice to the Registrar of Companies accordingly, it may not make a distribution out of undistributed revenue reserves by virtue of section 41 (1) unless its shares are listed on a recognised stock exchange.

Fledgeling is therefore seeking a listing on The Stock Exchange in order to gain inland Revenue approval as an approved investment trust. Subject to approval being granted, Fledgeling will be able to operate as an approved investment trust from the beginning of its financial year commencing 22nd January, 1982, and the Directors intend to conduct Fledgeling's affairs in such mannar as to ensure that

It is the present intention of the Directors of Fledgeling to recommend that, subject to approval by the shareholders and by the Department of Trade, Fledgeling's name be changed in 1982 to The Fleming Fledgeling Investment Trust Public Limited Company.

INVESTMENT POLICY Fledgeling was formed by a number of investment trusts associated with Robert Fleming so that they could have a vehicle for investing in companies, both listed and unlisted, which, for various reasons such as smallness, poor marketability, lack of yield or speculative characteristics, were unsuitable for direct investment by them. Fledgeling has held a broadly diversified portfolio of investments with no restrictions as to business sector. The majority of the unlisted investments are in established companies and only occasionally does Fledgeling invest in venture capital "start-ups". Fledgeling has derived its income mainly from shares and securities but has invested with a view to capital appreciation rether than income.

It is the Intention of the Directors to continue this investment policy subject to the restrictions set out below. Although the Articles of Association of Fledgeling do not limit the discretion of the Directors as regards investment policy, the Directors intend to ensure that the purchase of new investments or the lending of money will not itself cause:—

(i) more than 10 per cent, by value of the assets of Fledgeling before deducting borrowed money ("the Assets") to be lent to or invested in the securities of any one company (other than those of a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed);

(ii) more than 25 per cent, by value of the Assets to be invested in the aggregate of:-(a) securities not listed on any recognised stock exchange (for which purpose securities quoted on the NASDAQ system in the USA and Canada will be treated as listed securities); and

(b) holdings in which the Interest of Fledgeling amounts to 20 per cent. or more of the aggregate of the equity share capital, including any capital having an element of equity, of any one listed company (other than a company which has been approved as an investment trust by the Inland Revenue or which would qualify for such approval but for the fact that it is not listed). **FIVE YEAR RECORD**

	Destrutera		
	Fledgeling	Financial Times- Actuaries Alf-Share Index	Financial Times- Actuaries Investment Trust Index
Overthe five and a higher from £2,675,850 (equit 29th December, 1981 the estate at that date made on the time Balance Sheet) less the £9.5 million (equivalent to 76 years, eleven months to 25 Times-Actuaries All-Share a accounting period ended ha	valent to 21.3p per sha timated net asset values same accounting bas estimated liabilities as 1.0p per share").The co tith December, 1981 (ind Investment Trust i	te, derived from a valuation es as are set out in the Acc s at 1 th December, 1991 (it hange in the net asset value compared with the change ndices as at the end of the n	lent to 77.4p per share"). At to of the investment porticition ountants' Report (Note 1 to te indebtedness date), was e of Fledgeling over the five as shown by the Financial nonth in which Fledgeling's

•			reling	Financia Actua Jing Ali-Shar		Act	tial Times- tueries nt Trust Index
*	At 21st January 1976 1977 1978 1979 1980 1981 At 21st July, 1981 At 29th December, 1	Net Assets pencelshare* 21.3 21.4 37.2 44.6 54.9 62.8 77.4 981 76.0	Parcentage change over previous period	Index 172 166 204 223 252 289 319 310	Percentage change over previous period (3.5) 22.9 9.3 13.0 14.7 10.4 (2.8)	Index 185 168 187 211 218 278 311 285	Percentage change over privious period (9.2) 11.3 12.8 3.3 25.6 12.7 (8.4)
	Change over 51/2 ye to 21st July, 1981		+263%	3,0	+85%		168%
	Change over 5 year to 29th December 1	rs. 11 months 981	+257%		-20°2		72467

Revenue and Dividends The record shown by Fledgeling's audited revenue accounts for the five years ended 21st January, 1981 together with the six month figures to 21st July, 1981 are set out below in the Accountants' Report. A summary of these figures is as follows:—

			Year ended 21st January			6 months ended -21st July
4 1 5 1	1977	1978	1979	1950	1981	1981
	£000	£000	£000	2000	£000	2000
Gross revenue	257	294	319	400	470	208
Expenses	42	41	50	49	57	33
Taxason	215	253	259	351	413	175
	74	86	36	101	126	54
Net revenue after taxation	141	1 <i>57</i>	173	250	287	121
Dividend	104	118	129	233	273	
Surplus Dividend per share (net)*	37 0.825p	0.920	1,027p	17 1.85p	2.175p	121

It will be seen from the above table that during the five years ended 21st January, 1981, gross revenue increased from \$257,000 to \$470,000. Expenses rose from \$42,000 to \$57,000 and net revenue after taxation rose from \$141,000 to \$287,000.

In respect of the five years to 21st January, 1981 Fledgeling's dividend payments have grown at an annual compound rate of 23,73 per cent.

*adjusted for capitalisation issue **CURRENT PORTFOLIO** The breakdown by value (unaudited), on the basis set out in the Accountants' Report (Note 1 to the Balance Sheet), of Fledgeling's Investment portfolio at 29th December, 1981 was as follows: Listed in the UK 7,651 732 78.1 7.5 Listed outside the UK 1,409 14:4 9,792 100.0 The distribution of these investments on a percentage basis at 29th December, 1981 was as

	EQUITIES Capital Goods Group	Kingdom , %	States \$5	Countries	Total
	Building and construction	15.3	0.7	. —	16.0
	Electrical (heavy)	5.4		' 	5.4
	Engineering	125 .		-	12.5
	Consumer Goods Group (Durable)		•	•	
	Electrical (light)	7.2	12	_	8.4
•	Consumer Goods Group (Non-Durable)				
	Braweries ·	28		_	. 28
	Entertainment and calering	28 04		-	0.4
	Household goods	0.4		_	0.4
	Newspapers end publishing	• 0.9	_		0.9
	Paper and packaging	. 0.6	22	-	28
	Stores	1.0	_		1.0
	Textiles	22 1.1			22
	Toys and games	1.1			1.1
	Other Groups		•		
	Chemicals	· 0.7	0.4	_	. 1.1
	Motors and distributors	1.3	<u> </u>	_	1.3
	Office equipment	1 <i>7</i>	_		1.7
	Oii and gas	8.6 1.5		_	8.6
	Shipping	1.5	_	Ξ	1.5
	Miscellaneous unclassified	10.3	4.7	0.6	15.6
	Financial Group				
	Finance	6.3	0.3		66
	Property	1.1	—	-	6.6 1.1
	Commodity Group				
	Metal and minerals	3.2		0.7	
	Overseas traders	24	=	0.7	3.9
				 .	24
	CONTENTED ESTACE	86.9	9.5	1.3	97.7
	CONVERTIBLE STOCK	1.0	_	 .	1,0
	FIXED INCOME-	1.3	-	<u>'</u> '	13

The twenty largest holdings by value (unaudited), on the basis set out in the Account

(Note 1 to the Balance Shee		Listing Status			
200		(See note below)	Cost £000	Value £000	Percentage of Portfolio
1. United Scientific					
Holdings PLC	Ordinary shares	LUK	21	812	8.3
2. HAT Group Limited 3. Famel Electronics	Ordinary shares	LUK	237	637	6.5
PLC	Ordinary shares	LUK	30	418	43
4. Carless Capel &	a. b				
Leonard PLC 5. Barratt Developments	Ordinary shares	LUK	92	415	42 .
Limited	Ordinary shares	LUK	96	378	3.9
6. Automated Security	Coffee channe :			>	
(Holdings) Limited 7. London United	Ordinary shares	LUK	8	370	38
Investments Limited	Ordinary shares	EUK	93.	318	33
 Mercantile House Holdings Limited 	Ordinary shares	LUK	-		Control of the same
9. Hunting Associated	Citation y States	LOR	52	236	24
. Industries PLC	Ordinary shares	LUK	38	210	22
Diploma Limited	Ordinary shares	LUK	21	200	20
11. Fuller Smith &					
Turner Limited	'A' Ordinary shares	ប	74	177	18
12. Vidal Sassoon Inc. 13. Glass Glover Group	Common stock	ប	48	175	1.8
Limited	Ordinary shares ·	LUK	26	161	1.6
United Engineering				101	
Industries PLC	Ordinary shares	LUK	52	153	1.6
15. Hunting Gibson PLC 16. Office and Electronic	Ordinary shares	LUK	113	151	15
Machines Limited	Ordinary shares	11116			11
17. Hunting Petroleum	Country States	LUK	42	150	15
Services PLC	Ordinary shares	LUK .	84	4.45	
18. Esperanza Limited	Ordinary shares	LUK .	120	148	1.5
19. Sound Diffusion Limited	Ordinary shares	LUK	62	140	1.4
20. Huntleigh Group	and the second second	LLIC	- 64	110	1.1
.Limited	Ordinary shares .	LUK	41	107	1.1
Note: LUK-Listed in UK LO -Listed overseas			1,360	5,466	55.8
U ~Unlisted	•				

Coat £000 In United Kingdom Advants Co. Limited—'B' Ordinary shares
Aerospace Engineering PLC—Ordinary shares
Advantic Resources Limited—Ordinary shares
Barrowmill Limited—Ordinary shares
Charthire Services Limited—Cumulative preference shares
Charthire Services Limited—Ordinary shares 58 38 Charthire Services Limited-Ordinary shares Deblinaire Limited-Loan 1985 Detterne Holdings Limited-Ordinary shares 20 50 14 Dettenne Holdings Limited—Ordinary shares
Equipu PLC—Ordinary shares
Equipy Finance Limited—Loan 1985
Fuller Smith & Turner Limited—A' Ordinary shares
Ireland Alloys (Holdings) Limited—Ordinary shares
Ireland Alloys (Holdings) Limited—Ordinary shares
Robert Jankins (Holdings) Limited—Ordinary shares
LPA Industries Limited—Ordinary shares
LPA Industries Limited—Ordinary shares
James A. Laidiaw (Holdings) Limited—Ordinary shares
Markheath Securities PLC—Cumulative convertible preferred shares
Pict Petroleum Limited—Ordinary shares
Spanverne Investments Limited—Ordinary shares
Star Computer Group PLC—Ordinary shares
Telema (UK) Limited—W Ordinary shares
Telema (UK) Limited—W Ordinary shares
Telema (UK) Limited—W Ordinary shares 32 50 74 21 10 27

53 10

30

The unlisted investments (valued by the Directors at more than \$500) at 29th December, 1981

Tesel Services Limited—Convertible subordinated ULN 87/90
Tesel Services Limited—Ordinary shares Trident Computer Service PLC-Ordinary shares In United States IMED Corp.—Common stock Orange Medical Instruments—Common stock Vidal Sassoon Inc.—Common stock Total

100

13% rise in new premiums at Norwich Union . . .

A 13 per cent increase in new group pension premiums were business more than doubled from spinial premiums on its world slightly higher at £29.1m £600,000 to £1.5m.

Overseas annual premiums from 254.3m to £72.7m is Single premium business in were 42 per cent higher at reported for 1931 by Norwich the UK was nearly 13 per cent £19.4m (£13.6m), while single premiums on world-wide up at £62.9m (£55.8m). Pensions premiums were over 40 per cent business rose 16 per cent from colf-property of the colf-property of t

business rose 16 per cent from self-employed premiums increas large gains were recorded in \$500,000 to \$400 life business were 5 per cent higher at \$72.5m.

In the UK, new annual premiums were 5 per cent higher at \$29.5m.

A mixed pattern of life and 29 per cent from the group had a mixed result on its unit-linked business. The group had a mixed result on its unit-linked business. The Clerical, Medical and Annual premiums on linked life with annual premiums dropping group pension stronger in sin group pension. to 130.7m, but self-employed £300,000, but single premiums slightly from £22.7m to £22.5m.

annual premiums rose margin- rose from £7.8m to £9.6m. Annual and single premiums rising by 11 employed premiums up by 27 per is a choice of two fundally from £7.1m to £2.3m and premiums on linked pensions per cent from £15.8m to £17.6m. cent to £2.9m and directors pen- fund and a cash fund.

pensions market where group at £4.5m. annual premiums dropped 12 per cent from £16.7m to £14.8m and Pension Fund Management—a salf-employed pension annual segregated investment managepremiums were over 40 per cent sall-employed pension annual ment service for pension higher at £9.6m (£6.8m). The premiums by 20 per cent from schemes—increased by 30 per

> stronger in single premiums with management from that given in group pension premiums up by the insured scheme, but too small 9 per cent to £14.6m, self- for the segregated service. There employed premiums up by 27 per is a choice of two funds-a mixed

The decline came in the sion premiums 25 per cent higher

Total funds in the Society's large gains were recorded in £500,000 to £400,000. The Society's cent 10 £130m. The Society has countries with strong economies life business had a good year now launched a managed fund such as Australia.

A mixed pattern of life and 29 per cent from £5.3m to a schemes as from the beginning record £6.8m. of the year, aimed primarily at ... The pensions market was much those funds seeking separate

> Faced with falling volume have been declared for 1981 hy the Medical Sickness Society on its life and pensions business, For life policies the rate is lifted 25p to £5.25 per cent of the sum assured and attaching bonuses. However, the terminal bonus rate is maintained at 25 per cent of all existing bonuses, On personal pension contracts taken out from April 1977, the reversionary bonus rate is in-creased 50p to £6.50 per cent com-pound. But the vesting bonus rates are lowered by 2 percent-

> > 195

4,432

689

Mersey Docks further payment

BY RAY MAUGHAN

The Mersey Docks and from the land vested last June Harbour Company is to pay a in the Merseyside Development further 2p per £1 unit to holders Corporation (MDC) for which the of the subordinated unsecured docks company is now negotial. loan stock.

the total redemption so far to £202,500 respectively, bave been 10p per £1 unit at a cost of just over £2m. The loan stock was of the valuation given to the Curisued in 1974 in accordance with poration by the district valuer. isued in 1974 in accordance with the capital reconstruction scheme whose provisions required that tribution to stock finlders.

and the consequent need to make costly severance payments, Mersey Docks has been losing heavily in recen tyears. In the nine years to 1980, the company bad lost some £26m largely as a result of redundancy bills. In the first half nf last year it incurred a further deficit of £2.74m. But the price of the stock units has fluctuated wildly since 1974 and were quoted yesterday at 21p against a low for last year of 65p. The Government controls 20.67 per cent of the stock, clients of London stock-brokers Greene and Co and Walter Walker have substantial

docks company is now negotiating compensation. The payment, which will be Advance payments for 6.64 made following publication of acres in Section and 19.44 acres in the Advance payments for 6.64 made following publication in the Wirral, at £144,000 and the total redements of the control of t received representing 90 per cent

Mersey Docks is still locked in negotiations for compensation for all net proceeds of land sales 400 acres of land in Liverpool and part of any profits be paid South Docks. The resultant prointo a redemption fund for distellution to stack holders. the terms of the loan stock deed, be payable before 1983.

Opinions vary considerably as to the final settlement of the South Docks valuation. "There'll

be a riot if the board agree to 10p per stock unit-or a little above £2m-for the 400 acres, says one investor. Top estimates give a possible redemption sum of 30p-35p for South Docks. Relations between the Mersey Docks board and the advisory committee appointed to supervise the loan stock redemption bave

been strained in the past by the question of rental income. Stock holders have pressed for dis- Albert warehnuses

BOARD MEETINGS

The following companies have notified doing of boord meetings to the Stock being of boord meetings to the Stock Exchange. Such meetings are usually hald for the purpose of considering dividends. Official indications are not available as to whether divisions are interms or finals and the subdivisions, shown below are based meinly on last wasn's elimetable. shown below and year's timetable.

INTERIORS: Brown and Terese, City of London Trust. Quest Automation, Technology Investment Trust. Final: McCorquodele. FUTURE DATES

FOI ONE DAVICE	
Interims—	
had Colloids	Jan 13
urt Boulton	Seb 5
tch Lovell	Jan 28
ewmark (Louis)	Jon 21
egional Properties	Feb 1
Setmor Tomate	
stauef (H.) house	
torn EMI	
figfall (Henry)	Jan 15
Finals—	
sociated Newspapers	Jan 14
etr 5:08	
	Jan 11
	Jan 21
y's Foundries & Engineering	
and G Dual Trust	Jan 13

the company still holds certain land and properties, such as the

posals wherever possible or fur the distribution of net rents ment has insisted that Mersey Docks, like its London counterholdings and Mr David Abell, a board members and the chairman of Suter Electrical, is another major bolder.

The disposals effected last year and those expected in 1982 stem it, in stock holders favour but from £200m 10 £360m.

and reversionary bonus rates are increased

bonus have been declared for ing from £40 per £1,000 nf the contracts in £4 per cent of the 1981 by the Newsch Union Insur-sum assured for contracts taken basic benefit and £5.25 per ce out in 1977 to a maximum of of attaching bonuses from £3.7 maritant life companies in the mutual life companies in the

The rate for individual life and endowment contracts is raised by 10p to £4.60 per cent of the sum assured and attaching bonuses. The rate for contracts taken out before 1965 ie increased by 50p to 27.50 per cent of the sum assured for endowments, and to £8.50 per cent of the sum assured for whole life contracts.

However, the company is main-taining the terminal bonns rates per cent of attaching bonnses. which will be at the levels to which it was it is bowever, increasing the end of March.

can be terminated on two years' notice.

completion of the issue now being made.

DIVIDEND POLICY

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effected in 1981 or earlier.

The rate for self-employed pen-sion contracts is lifted 15p to £5.75 per cent of the basic benefit and attaching bonuses, with the terminal bonus scale kept at the level fixed the previous July. Sun Alliance and London Assurance Company, a member of the Sun Alliance Insurance Group, is also keeping its bonus rate unchanged for 1981 on individual life policies, at £4 per

Fledgeling Investments Public Limited Company

Mic Doneid (aged 67), a Director of Robert Fleming Holdings, has been largely responsible for the Investment portfolio of Fladgeling since it commenced business in 1962, and will continue to be so in his capacity as a director within the Robert Fleming Group Which he joined in 1960. Mr. Altrenhead (aged 66) is a Director of The First Scotlish American Trust Co. PLC and of The Northern American Trust Co. PLC, both of which are significant shareholders of Fledgeling. Mr. Jamieson (aged 56) is a Director of Robert Fleming Holdings and of Robert Fleming Investment Trust Limited. Mr. Rumsey (aged 60) is a director of Anglo-American Securities Corporation PLC, which is the largest shareholder of Fledgeling. Mr. Usher (aged 43) is Secretary of the British Investment Trust Limited, which is a significant shareholder of Fledgeling.

INVESTMENT MANAGEMENT

TAXATION

Robert Fleming Investment Management and Robert Fleming Services have entered into an

DIRECTORS

of attaching bonuses from £3.85 The company has also sub-

stantially increased its Capital bonus rates paid on claims arising in 1982. The new scale ranges from £2.40 per £1,000 nf basic benefit after 10 years in force to a maximum of £15 per force to a maximum of £15 per £1,000 for 40 or more years in force. The previous scale ran from £1,50 to £12,50 per £1,000. Scotifish Amicable is increasing its rates of interim reversionary bonus, ahead of the full declaration for 1981 which will be approved at the which will be annuunced at the

rate on its with profit pension. On the main individual life unchanged at the contracts in £4 per cent of the contracts, the rate is lifted 10p announced last October basic benefit and £6.25 per cent to £4.50 per cent of the sum. Higher reversionary assured and £5.50 per cent of attaching bonuses. On the second series Flexidowment, the basic rate as improved 10p to £4.20 per cent of the sum assured, while the rate applied to attaching bonuses is improved 15p to £6.50 per cent.

> Superannuation (Second Series) are increased by 20p to 24.60 per cent of the basic benefit and £7.10 per cent of attaching bonuses. On group policies the rate is lifted 20p to £5.50 per cent on the benefit secured.
>
> The company is however footnoted age points to 63 per cent at age 65, 53 per cent at age 65 and keeping its terminal bonus rate 43 per celt at age 70.

Opening balance Net profit (loss) on realisation of

Provision for any investment where

on in value is con

investments Gains (losses) from currency

The rates for Flexipension and

D. Capital Reserves The capital reserves of Fledgeling for the periods under review were as follows-

(276)

155

(120)

255

54B

(172)

(1)

_	_	
4	(4)	On a show of hands every member present in person (or, if a corporation, present by a duly authorised representative), and entitled to vote, shall have one vote and upon a poll every member present in person of by representative as elected or by proxy, and entitled to vote, shall have one vote for every share of which he is the holder.
	(H)	A Director shall not require a share qualification.
	(N)	(a) Save as provided below, a Director may not vote in respect of any contract or arrangement in which he has any material interest other than by virtue of his interest in shares or determines or other securities of or otherwise in or through Fiedgeling. A Director may not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(b) Subject to the provisions of the Companies Acts a Director shall (in the absence of some other meterial injerest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution

the part of the following matters, namely:—

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of Fledgeling or any of its subsidiaries: (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of Fledgeling or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or

indements or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by Fiedgeling or any of its subscribing for subscribing or or purchase in which offer he is or is to be interested as a participant in the

ungerwrung or sub-underwrung ansered; (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of section 64 of the Companies Act 1980) is not the holder of or beneficially interested in one per cent, or more of the issued shares of any class of such company (or of any third company through which his interest is denived) or of the violing rights available to members of the relevant company (any such interest being deemed for the purposes hereof to be a material interest in all circumstances);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or reffrement benefits scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or of any Employees' Share Scheme, as defined by section 87 (1) of the Companies Act 1980. Section 185 of the Companies Act 1948, relating to the retirement and responsiment of Directors who have attained the age of 70, shall apply to Fledgeling. The renumeration of the Directors for acting as such shall be such sum as may be determined by the company in general meeting. If the period of service is less than one year the respective renumeration will be reduced

Directors shall be entitled to be repaid all reasonable expenses incurred in or about the performance of their cuties, including any expenses incurred in attending meetings. Any Director who in the opmon of the Directors undertakes testes outside the normal duties of a Director acting as such may be paid such additional remuneration therefor as the Directors may determine:

remuneration therefor as the Directors may determine:

(viii) The Directors may pay pensions, or other retirement, superannuation, death or disability benefits, to (or to any person in respect of) any Director or ex-Director who may hold or have held any executive office or any office or place of profit with Fledgeling or any of its subsidianes,

(ix) The Directors may exercise all the powers of Fledgeling to borrow money and for mortgage or charge its undertaking property and uncalled capital, and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of Fledgeling or of any third party, provided that the aggregate principal amount outstanding in respect of borrowings by Fledgeling endor any of its subsidiary comparies feedulative of intra-group borrowings) shall not at any time without the previous sanction of an ordinary resolution of Fledgeling exceed an amount equal to the share capital and consolidated reserves (as defined in the Articles).

3. Directors? and Other Inferences. 3, Directors' and Other Interests

A. (a) The beneficial interests of the Directors in the Issued share capital of Fledgeling immediately after completion of the Placing Agreement referred to in paragraph 4 below will be es follows:-D.M.C. Donald A.K. Alikenhead G.J. A. Jamleson A.E.W. Rumsey A.M. Usher

A.M.Usher	NII	
reholdings representing more than five per cent, of the r of the Placing Agreement will be as follows:—	issued share capital of Fled	geling immediate
Angle-American Securities Corporation PLC The First Scottish American Trust Co. PLC Robort Fleming Investment Trust Ltd. NC Lombard Street Nominees Ltd. The Northern American Trust Co. PLC Possiund Nominees Ltd.	Ordinary Shares 3,018,000 800,000 642,000 7,050,000 900,000 800,000	Parcenta; 24.0 6.4 5.1 5.4 7.2 6.4
it from the holdings set out above and the interest of	Robert Fleming arising in to	onsequence of th

(c) Apar Placing Agreement, the Director Issued share capital of Fledgel ment, the Directors are not aware of any shareholding which will represent more than five por cent, of the

(a) None of the Directors of Fledgeling has a service agreement with Fledgeling and no such contracts are notly proposed. For the year ended 21st January, 1961 the aggregate empluments of the Directors were £4,000 and the arrangements in force at the date hereof their empluments for the current financial period are £4,000. (b) Mr. D.M. C. Donald and Mr. G. J. A. Jamieson are Directors of Robert Fleming Holdings, which is the holding company of Robert Fleming, Robert Fleming Investment Management and Robert Fleming Services. Details of the arrangements between Fledgeling and such companies are set out in paragraphs 4 and 5 below, Robert Fleming Holdings is also the holding company of Robert Fleming Investment Trust Limited.

(c) Seve as aloresaid, (f) there is no contract or arrangement subsisting as at the date of this document in which a Director is materially interested and which is significant in relation to the business of Fledgeling and (a) no Director has any interest, direct or indirect, no rin the promotion of any assets which, within the two years precading the date hereof, have been or are proposed to be acquired or disposed of by or leased to Fledgeling.

4. Placing Agreement with Robert Fleming

4. Placing Agreement with Robert Fleming

By an agreement (the Placing Agreement') dated 5th January. 1982 Robert Fleming has agreed, subject to the whole of the issued share capital of Fledgeing being admitted to the Official List not later than 15th January, 1982, to purchase 2,344,600 Ordinary Shares of 25p each at a price of 58,03p per Ordinary Share from the shareholders of Fledgeing named below ("the Selling Shareholders") of which 1,322,300 such Shares are part of those alkotted by way of capitalisation of reserves on 5th January, 1982 and 1,022,300 such Shares ("the Registered Shares") are registered in this names of the Selling Shareholders, and to effect a placing of all such Shares. Under the Flacing Agreement into Directors of Fledgeing have given Robert Fleming certain warranties concerning the attains of Fledgeing. The Selling Shareholders are responsible for the payment of stamp duty on the transfers of the Registered Shares to the purchasers from Robert Fleming or their renouncees. Under the Placing Agreement Fledgeling will pay the costs of and incidental to the preparation, printing, publication and advertising of this document, the increase of Fledgeling's authorised share capital, amendments to the Articles of Association, and all accountancy expenses, its own legal expenses, a fee of \$25,000 to Robert Fleming and the fees payable to the brokers and The Stock Exchange. These expenses are estimated to amount to \$100,000 exclusive of VAT. In addition, Robert Fleming is entitled for each Ordinary Share placed, out of which it will pay a commission to the brokers and its own legal expenses.

min.	ission to the brokers and its own legal expenses.	
	Name of Shareholders	Number of Ordinary Shares Sold
	The Guardian Investment Trust, plc	100.000
•	London & Montrose Investment Trust pic	263,000
	The London and Provincial Trust pic	526,000
	North Atlantic Securities Corporation PLC	730,000
	Possfund Trustees Ltd.	200,000
	United British Securities Trust plc	525,600
100	s being sold by Possfund Trustees Ltd. are registered in	the name of Posstund Nominees Ltd.
	tracts	

5. Meterial Co

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into within the two years preceding the date of this document and are or may be material.— Agreement deted 5th January, 1982 between the Selling Shareholders, the Directors, Fledgeling and Robert. Fleming, being the Placing Agreement reterred to above.

Agreement dated 29th May, 1981 between Fledgeling, Robert Flaming Investment Management and Robert Fleming Services whereby:-

Robert Fleming Investment.Management has agreed to act as investment manager to Fledgeling for a fee
payable quarterly in arrears. The fee is £20,000 per annum, subject to review on 1st April, 1952 and annually

(i) Robert Fleming Services has agreed to act as company secretary and provide secretarial, administrating and accounting services to Fledgeling for a fee, payable out of the above-mentioned lee payable to Ro Fleming Investment Management in an amount as agreed between Robert Fleming Investment and Robert Fleming Services.

(iii) In addition to the above-mentioned fees, Fledgeling has agreed to pay professional fees properly incurred by Robert Fleming Investment Management and Robert Fleming Services in the performance of their duties.

The agreement is terminable upon the giving of not less than two years notice by Robert Fleming Investment.

Management or Fledgeling. Redgeling may terminate the agreement by shorter notice if it pays to Robert
Fleming investment Management a sum equal to the remuneration payable to Robert Fleming Investment.

Management under the agreement for the two years from the date of the notice. 6. General

 Fledgeling is not engaged in any litigation and does not have any claim of material importance pending or threatened against it. Ernst & Whitney have given and have not withdrawn their written consent to the issue of this document with the inclusion of their report in the form and context in which it is included.

C. Copies of the above mentioned consent, a statement of the adjustments made by Ernst & Whinney in arriving at the figures set out in their report and the reasons thefefor and the material contracts listed in paragraph 5 above were attached to a copy of this document together with a copy of the placing letter and the form of acceptance issued by Robert Fleming in connection with the placing and have been delivered to the Registrar of Companies for registration.

D. Robert Fleming, registered in England No. 262511, has its registered office at 3 Crosby Square, London.

E. We part of the proceeds from the sale of the shares of Fledgeling will be receivable by Fledgeling and, accordingly, no sum is being raised for the purposes specified in paragraph 4 of the Fourth Schedule to the Companies F. For the purposes of paragraph 5 of the Fourth Schedule to the Companies Act 1946 the subscription lists will open at 10.00 a.m. on 11th January, 1982.

G. The Directors of Fledgeling have been advised that, since Fledgeling has never been a close company, no material liability for strate or for income tax as a result of the apportument of Fledgeling's Income to its shareholders is Rively to fall on Fledgeling, and have also been advised that no material liability for estate duly or capital transfer tax is likely to fall on Fledgeling.

H. The following documents or copies thereof may be inspected at the offices of Robert Fleming, 8 Crosby Square, London EC3A 6AN during usual business hours on any weekday (Saturdays excepted) for a period of fourteen days from the date of publication of this document.—

the report of Ernst & Whinney, their statement of adjustments and their written consent. 5th January, 1982.

(a) the Memorandum and Articles of Association of Fledgeling; the audited accounts of Fledgeling for the two financial years ended 21st January, 1361 and for the six months ended 21st July, 1981:

the material contracts referred to in peragraph 5 above; and

E. Balance Sheet The balance sheet of Fledgeling at 21st July, 1981 was as follows:-A12151 July 1981 estments (af cost) Listed in Great Britain Listed outside Great Britain Unlisted 3,099 522 811 Current assets Bank balance 96 Current liabilities
Future settlements
Creditors Net current leablities Financed by: Share capital 1,571 1,245 368 688 Share premium Revenue account Capital reserve Shareholders funds INVESTMENTS The valuation of investments at 21st July 1981 was as follows:-Listed on stock exchanges in Great Britain Listed on stock exchanges outside Great Britain 4,432 Usted investments have been valued at middle market prices or closing prices. Unlisted investments by the Directors. The share capital of Fladgeling at 21st July, 1981 was as follows:-Issued and fully paid Member EDOD Ordinary Shares of 25p 8,000,000 2,000 6.284.740 1.571 On 5th January, 1962 Fledgeling increased its authorised share capital and made a capit share for every one share held, its share capital is now as follows:ion issue of one Issued and fully paid Number £000 13.200,000 3,300 12.569,480 3.142 Ordinary Shares of 25p The capitalisation issue was made from the whole of the share premium account and from part of the capital 3 SHARE PREMIUM nic Promoun The share premium account did not change during the periods under review. On 5th January, 1982 the whole of re promium was capitalised as described in Note 2 above. 4 LOAN CAPITAL The £500,000 8% per cent debenture stock 1988/53 is secured by a floating charge on Flodgeling's assets. The whole or part of this debenture stock may be redeemed at par on or at any time atter 2 to January, 1988 upon time months notice. Stock not previously redeemed shall be repaid at par on 21st January, 1993. At 21st July, 1981 Fledgeling's commitments on underwriting amounted to £42,500. F. Source and Application of Funds The source and application of funds of Fledgeling for the periods under review were as follows:-6 months ended 21st July Source of funds 269 751 1,241 1,513 1,347 1,021 Application of funds
Dividend
Taxation
Purchase of investments 96 878 800 154 1,406 1,452 1,090 Increase (decrease) in liquidity 73 (58) 139 (9) (177) (61) 154 (211) G. Accounts Audited accounts of Fledgeling have not been prepared in respect of any period subsequent to 21st July, 1981.
Yours fairfully,
ERNST & WHINNEY,
Chartered Accountants. STATUTORY AND GENERAL INFORMATION 1. The Company and its Share Capital Fledgeing was incorporated as a private company on 30th July, 1955 under the Companies Act 1948 and the registered number is 552775. On 10th December, 1981 Fledgeing was re-registered as a public limited company under the Companies Act 1980, With effect from the same date Fledgeing became an investment company within the meaning

Hobert Fleming Investment Management and Robert Fleming Services have entered into an agreement with Fledgeling dated 26th May, 1981 (effective 1st April, 1981) under which Robert Fleming investment Management acts as investment manager and Robert Fleming Services acts as company secretary and provides accounting, secretarial and administrative services. Fledgeling pays to Robert Fleming investment Management, quarterly in ameans, commencing June 1981, a fee for the services provided by Robert Fleming Investment Management and Robert Fleming Services. For the year ending 31st March, 1982 the fee is to be at the rate of 220,000 per annum and will be reviewed thereafter on 1st April of each year Out of the fee received by it, Robert Fleming Investment Management pays a fee to Robert Fleming Services: Any professional fees incurred by Robert Fleming Investment Management and Robert Fleming Investment in the performance of their duties are paid by Fledgeling. The agreement can be terminglished on two years notice. Both Robert Fleming Investment Management and Robert Fleming Services are wholly owned authorities of Robert Fleming Holdings, Robert Fleming Investment Management is the Investment management company of the Robert Fleming Group and administers, on a discretionary basis, and advises funds with an aggregate value in excess of £3 billion. Robert Fleming Services provides secretarial and administrative services to a large number of investment trusts. Fladgeling has adopted a policy of investing with a view to capital appreciation rather than income and it is the intention of the Directors to continue this policy. For the year ending 21st January, 1982 the Directors Intend, in the absence of unionessen circumstances, to recommend a dividend of 2.175p per Ordinary. Share (the same as for the previous year) to be paid in April, 1982, it is the intention of the Directors in tuttine to declare an interim dividend, which it is expected will be paid in October of each year. The Directors intend to ensure that Fledgeling satisfies the conditions for approval as an invastment frust field down in section 359 of the Taxes Act 1970 (as amended) and intend to apply to the Inland Revenue for such approval. If such approval is granted Fledgeling will, as a result of the provisions of the Finance Act 1980, be example from corporation tax on its capital gains in all accounting periods for which approval The income of Fledgeling (including income arising outside the United Kingdom) will be subject to composition takin the normal way; income arising outside the United Kingdom may in addition be subject to withholding lexes at varying rates but double taxation relief will generally be available. The Directors consider that Fledgeling is unlikely to be a close company immediately following the

Stramholders in Fledgeling may be liable to United Kingdom capital gains tax on chargeable gains arising from the disposal of their strares in Fledgeling and will not be entitled to any tax credit in respect of gains realised by Fledgeling. ACCOUNTANTS' REPORT The following is a copy of a report which has been received from Ernst & Whinney, the evolutes and reporting The Directors, Fledgeling Investments Public Timited Company and The Directors, Robert Fleming & Co. Limited 5th Jenuary 1982 AL BALCOLLICUOUS In contraction with the proposed public placing of 2,344,600 Ordinary Shares of 25p of Fledgeling Investments Public Limited Company ("Fledgeling") set out in the prospectus to be dated 5th January, 1982, we have raviewed the studied accounts of Fledgeling for each of the years ended 21st January, from 1977 to 1981 inclusive and for the studied accounts of Fledgeling for each of the years ended 21st January from 1977 to 1981 inclusive and for the studied accounts and 1981. These accounts have been prepared under the fusionical cost convention. We have been as of Fledgeling throughout this period. the revenue and capital accounts, the ballance sheet and the source and application of funds set out below have derived from the audited accounts, adjusted as we consider appropriate. In our opinion, the information shown y gives a true and fair view of the state of affairs of Fiedgeling at 21st July, 1961 and of its netrevenue and source and sallon of funds for the five and a half years then ended.

The accounting policies which have been consistently applied in anwing at the financial information set out in this report are as follows:— (i) The accounts are prepared under the historical cost convention. (ii) investments are stated at cost less provision for any investment where diminution in value is considered and The cost of foreign currency investments less stated in starting at the exchange rate ruling at the date of purchase a cost of foreign currency investments lestet re-applicable, the currency premium paid. . (ii) Profits and losses arising on disposals of investments, related texation charges, logariter with sundry go adjustments are clock with as capital transactions. (h) interest payable and expenses of management are dealt with on an accruals basis, interest, dividends and exions receivable and included in revenue account only to the extent to which they have been received in the period. (v) No provision is made in respect of tradition or expenses which might have resulted from a sale of imposts at the end of the relevant accounting period. (vi) Universited income is included in revenue account gross before deduction of income tax, in the case of framitted income, related tax credits have been added to and are included in the figures presented. (vi) Foreign currency balances with bankers and the valuations of foreign investments have been translated at exchange rates prevailing at the end of the relevant accounting period. C.Revenue Accounts The revenue accounts of Fledgeling for the periods under review were as follows:-

		1.0	Year ended 2/st January			5 months ended 21st July
The second of the second	1977 £000	1978 2000	1979 2000	1980 £100	1981 5000	2981 2000
Gross sevence Franked koome	212	252	289	350	400	175
Unfracted income	24	, 14.	12	. 21	45	25
Deposit interest	.7	9	1 .	. 17	13 .	5 3
Underwitting commission	14	19	17	12	12	
	257	294	319	400	470	208
Schannes -	8	9	1 11	111	19	Et ·
Management expenses Interest on debenture stock	31	31	31	31	31	16
Audior 1665	[]i[.	1 1	11.	2	2	2
Interest on overdeaft	1 1	4	. [[] []	1 1	1	2
Directors fees) <u>-</u> i		4	4	-4	
	42	41	50	49	57	33
	215	253	239	351	413	175
- Ministra	74	86 -	96	101	126	54
pration (Note)	141	187	173	250	287	121
et raverme after texation	104	116	129	233	273	
endand on ordinary shares		- 51	44	17	14	121
arplus revenue for period	. 37	119	170	214	231	245
dance brought forward.	82				245	366
alence carried forward	119	170	214	231	293	300
manus persinere (as shown in the						
	2:25p	265p	2.75p	3.97p	4.55p	
	_					
		:				•
January 1982 (see Note 210 Ins	- 40m	1.335	1.390	1.990	2.280	
Balance Sheet)	1.12p		موصده	(Sch	ще	
OTE .	٠	-				
WATON.				-		
The charge for taxation comprised:		-	Year emiled		-	8 months and
			21st January			27St July
- 3	19.77	1978 1000	1979 2000	1380 2000	1981 ED00	1581 -2000
	5000	- 86	96	107	120	53
or relating to franked income	74	~	~	(7)	- 6	
proceden tex	=	<u>-</u> .	_=	Ÿ	2	2
omign tax		- 88	96	101	128	. 55
The second secon	74	- 65	- 40	70,1	(2)	
elle(forfereign lack		- 86	96	101	126	54
27-7-	74			101	-	-
Provision for corporation lax has been						

Immediately orior to 5th January, 1982 the authorised share capital of Fledgeling was £2,000,000 divided into 8,000,000 Ordinary Shares of 25c each of which 9,294,740 had been issued and were fully paid up. By or pursuant to resolutions passed at an Extraordinary General Meeting of Fledgeling hald on 5th January, 1982 the authorised strate capital was increased to £3,300,000 by the creation of 5,200,000 new Ordinary Shares of the sum of £1,571,185 (as to £1,244,465 being the amount standing to the credit of Share Premium account and as to the batence being part of the Capital Reserve of Redgeling) was capitalised and 6,284,740 Ordinary Shares of 25p each were allotted, credited as fully part, to the easing Ordinary Shareholders in proportion to. Save as disclosed herein, within the two years immediately preceding the date of this document, (i) no share or loan capital of Fiedgeling has been issued or is proposed to be assued, tuly or parity part, for cash or officewise and (ii) no commissions, discounts, brokenages or other special terms have been granted by Fiedgeling in connection with the issue or sale of any strare or loan capital of Fiedgeling.

No share or loan capital of Fladgeling is under option or egreed conditionally or unconditionally to be put under Subject as below, the Directors have been unconditionally authorised to allot up to \$157,630 in nominal amount of the relevant securities (as defined in section 14 of the Companies Act 1980) without the authority of the company in general meeting. The authority will expire on 5th January, 1967 (when it is renewable) but may be revoked or varied by the company in general meeting before that date. The provisions of section 17 (1) of the Companies Act 1980 will not apply to any allotinent made under the above authority.

No issue of shares of Pladgeling for cash (other than consequent upon an offer to shareholders pro rata to their sosting shareholdings) and no material issue of shares of Fledgeling for a consideration other than cash will be made within one year of the date of this document without the prior approval of the company in general meeting. Following the capital reconstruction referred to above, 630,520 shares of 25p each of Fiedgeling remain and but no issue of such shares which would effectively after the control of Fiedgeling will be made without the prior

approval of the company in general meeting. 2. Articles of Association

The Articles of Association of Flecheling contain provisions (inter als) to the following effect:-)

The Directors shall establish a Capital Reserva fund and shall carry to such reserve any capital expreciation realised on the sale or realisation of any capital assets of Redgeling for a consideration in excess of book value and any other sums representing accretions to capital assets. The Capital Reserva fund shall not be treated as representing profits available for distribution.

MINING NEWS

Anglo restores Minorco stake

BY KENNETH MARSTON, MINING EDITOR

THE MAJOR shareholders in in the latter. The remaining 75 the Bermuda-based Minerals and per cent 15 held by Anglo Resources Corporation (Micorco) American and De Beers. their holdings following a tem-formed to take soma S115m porary small reduction which (£60m) of mining assets in followed a recent placing of Chile, Brazil, Peru and Argen-

Corporation of South Africa now from Consolidated Mining and has 42 per cent of Minorco, De Industries SA. Beers has 23 per cent and Charter just on 10 per cent

receotly announced deal whereby to a joint holding company in Details of the issue are reported exchange for a 25 per coot stake on Page 19.

tins to be purchased by Anglo Consequently, Angio American American. De Beers and Manorco

Meanwhile, Minorco has announced the issue of U.S.\$60m The restoration of the respec-tive holdings stems from the coovertible subordinated bonds, used principally for the repay-ment of sbort-term indebtedness.

number of UK onshore oil and

gas exploration projects through

its membership of a consortium comprisiog Taylor Woodrow. Rio

Among the consortium's cur-

rent exploration projects is the Hatfield Moors No. 1 well in

Yorkshire in which Haoma North

West Oil has a 13 per cent in-terest. This well recently suf-

Haoma-North West deal

THE agreed merger of Haoma North West Oil and Gas Australia's Haoma Gold Mines UK. and North West Mining has been The latter is involved in a extended to Jacoury 29 to allow for delays caused by postal strikes in Australia and the Christmas bolidays.

The marger terms are seven Haoma Gold shares for every ten. North West Mining. Acceptances to date total just over 70 per

Included in the merged assets of the two companies are a 49.03 per cent interest in Strata Oil and an 8.28 per cent bolding in

Griffin Coal Mining. Meanwhile, Haoma and North

West report that they are currently negotiating to sell their

ROUND UP

EUROPEAN PROPERTY

established in Amsterdam.

AN INFORMATIVE AND

EXTRAORDINARY GENERAL MEETING

OF SHAREHOLDERS

will beheld at the office of the company, Singel 370,

Amsterdam, on Thursday 21st January 1982 at

The agenda only mentions the discussing of the

public offer by B.V. Internationale Belegging- en Administratiemaatschappij "Zandbergen" on shares European Property Investment Company N.V. Until February 1, 1982 (15.00 hrs) shares may

be tendered for purchase in accordance with this

offer. Copies of the Offer Document will be

available free of charge at the head-offices in

Amsterdam-Rotterdam Bank N.V.

Bank Mees & Hope NV

Shareholders who wish to attend this meeting have

to lodge their shares with one of the following

Bank Mees & Hope NV in Amsterdam;

admission to the meeting.

Amsterdam, 30th December 1981.

Banque Bruxelles Lambert S.A. in Brussels;

Morgan Grenfell & Co. Limited in London

Banque de Neuflize, Schlumberger, Mallet in

not later than Monday, 18th January 1982 against delivery of a receipt which will serve as a ticket of

THE BOARD OF MANAGING DIRECTORS

INVESTMENT COMPANY N.V.

A COPPER smelter with an acceptance of its partial bid for munal capacity of 50,000 tonoes the shares of Cluff Oil (Australia) annual capacity of 50,000 tonoes of blister copper is to be built at Kota Belud in the east Malaysian State of Sabah. Datuk Harris Salleh, the state's chief minister said that a teoder for the US\$152m (£S0m) project had

heeo already called.
The smelter, which will be the first in the country, will take copper ore mined at the Mamut fields, 112 km from the slate capital of Kota Kinabalu. The Mamut mine is producing between 25,000 and 30,000 tonnes of bhster a year, all of which is now being refined in Japan.

Australia's Hartogen Energy out at just over 660 tonnes, the has extended the deadline for lowest since 1959.

14,00 hrs.

and subsequently caught fire. A team of American oil and gas well fire-6ghting specialists has been brought in to bring the interests in the jointly-owned fire under control.

by a fortnight to January 21. Hartogen is offering to acquire up to 20m cootributing shares of per cent).
None of the parties acting in concert with Paget individually Cluff at a price of 75 cents (44p) cash per share. Full acceptanca would ratse Hartogen's holding io Cluff to 51.2 per cent.

Mr Morris only acquired his stake of 563,186 shares on December 23.

South Africa's gold production in Novamber fell to 1,770,758 ounces from 1,815,735 oz in tha previous month. This brings the total for the 6rst 11 months of 1981 to 19,477,313 oz compared with 19,974,596 oz in the same period of 1980. It thus appears that the total for 1981 will work g year eariler.

THE NEW THROGMORTON TRUST LTD. Capital Loan Stock Valuation-January 5 1982

THE TRING HALL USM INDEX

CORAL INDEX

OIL INDEX March Refined \$40.80

The net Asset Value of £1 o Capital Loan Stock is 277,67p calculated on Formula 1. Therefore the tender price is 249,90p Securities valued at middle market

117.7 (-0.5) close of business 6/1/82 BASE DATE 10/11/80 100 Tel: 01-638 1591

Close 514-519 (-6)

BIDS AND DEALS.

The equity has been struc schedule or else the voting

Institutions invest £2.4m in Isis buy-out scheme

BY DUNCAN CAMPBELL-SMITH

TWELVE MAJOR institutional investors have participated in an innovative management huy-out scheme, investing £2.4m in convertible preference shares for which M. J. H. Nightingale, the City investment services group. will maintain a secondary market starting today.

The scheme has assembled a total of £5.8m to finance the purchase of the Isis group of construction and plant hire businesses from United Dominions Five directors of Isis Trust. contributed £200,000 and Lloyds Bank provided a £3.3m term loan. With the institutions £2.4m, this bas covered the cost of the acquisition and its

Lloyds has also provided the group with overdraft facilities of £2.5m. As a part of the reorganisation, which was completed oo December 31, 1sis has also acquired for £1.7m a large fleet of fork lift trucks from Greenham (Plant Hire).

Paget builds up its stake in Sangers

Paget Agencies, the Bermuda-hased vehicle of financier Mr Tom Whyte, former bead of fered a gas blowout at 1,600 feet crashed Triumph Iovestment Trust, and others acting in concert with Paget have acquired a near-6 per cent stake in Sangers Group from Mr C.

Morris.
Following the acquisition. Paget and its associates are the beneficial owners of 1.36m sbares (14.32 per cent) in Sangers, the loss-making pharmacentical and photogrape ic concern, and these acting in concert are the beneficial owners of 905,000 sbares (9.54

hold 5 per cent or more of the

Mr Whyte has repeatedly stated that the Sanzers sbares ara purely an investment."

For the half year to August 1981. Sangers reported a pre-tax loss of £1.03m compared with a profit of £463,000 in the first half

pany, Isis Industrial Services. The dozen institutions include Citicorp Development Capital. the pension funds of National Coal Board and the

tured to give Mr Lamont Park.

Isis's chairman, and bis four

colleagues 51 per cent of the

busioesses, which has been re-

organised under a holding com-

Post Office, Norwich Union, Equitable Life and Scottish Equitable. Their preference shares will be paid a dividend of 11 per cent, rising to 15 per cent in the years after 1983, and will be convertible into ordinary shares from mid-1984. The Isis group's results have

been depressed since 1980, with pre-tax profits falling to £1.1m in the year to last March against £2.1m, and £0.6m is forecast for the year to March 1982. group offers management at keen to explore wars of arranging buy-outs " and this looks like one good pattern for the future." But the new structure of the

Babcock's \$17.5m U.S. sale Babenck International, the UK will receive a severance payengineering group, is selling the ment of \$100,000 together with assets and business of the Industrial Products Group of its Acco subsidiary to Page-Wilsoo Corporation of the U.S. in a deal worth \$17.5m.

preferred sbareholders to cast

on the preferred stock will be

dictated by the aggregate profits

achieved before March 1934.

The directors could retain as

much as 50.1 per cent of the

ordinary equity but could also,

as 90 per cent of the ordinary.

the twentieth company it quotes

Mr Robio Hodgson, Nightingale's managing director, said it was

following AGM.

gale after 1984.

per cent of the votes at the

worth \$17.5m. certain members of the Indus-The Page-Wilson Corporation is a new company owned and trial Products Group.
operated by Mr J. H. Maloney
and other U.S. investors. Mr
for the disposal of indu for the disposal of industrial products group. Bahcock said that each of the four divisions of that Maloney was until September Maioney was, until Septemner 1981, the president and chief executive officer of Acco, and a director of Babcock International Inc., the U.S. subsidiary of Babcock International through which Accounts a support "is relatively small and their respective products and activities are unrelated to the prioripal business of Fabcock International Inc. which are in which Acco is owoed.

The consideration is based on the material handling equipment, chain and cable products, autothe position as at September 27

motive and furniture hardware 1981, subject to adjustment by tha difference between the net and proces; control instruments and systems.
"None of the divisions of 1ndustrial Products Group is cooat the date of completion, Februsidered in possess the inherent growth notential necessary to Of the total consideration. 85.7 per cent will be payable in achieve Bahenek International's cash on completion. The balance objectives for the future develop-will be satisfied by the issue to ment of its loierests in North America, Cerlain of the divi-sions of Industrial Products payable in five equal instalments from February 1, 1986. The Group have been the subject of earlier oeznitations for disposal.

hut no transaction was conthe fixed rate of 13 per cent per annum from February 1, 1933. The cash proceeds from the For the nine months in September 27, 1981 Industrial Prosale will be applied towards the reduction of Eabcock Inter-national's dollar borrowings in ducts Groun reported turnover of \$36m and profits before interest and taxation of \$1.45m Mr Maloney resigned from its financial year for 1980 it showed nrofits of \$2.05m comnegotiate the transaction. He pared with \$4.57m.

KCA explains disposal "Earnings and reserve project Colorado, Wyoming, Ohlo, Okla-

tions for Baroo were not borne out—otherwisa we would never have been able to negotiate \$4.1m off the purchase price," Mr John Wilson, managing director of Wilson, managing director of KCA International, said yester day, to explain why KCA had discosed of Baron less than a year after acquiring it.

asset value of tha Industrial

Products Group at that date and

Acco of a Page-Wilson loan note,

loan oote will bear interest at

Baron—which became KCA Oil and Gas Finc-has now been exchanged for 46 per cent of a Colorado exoloration company knowo as Bengai Oil and Gas. Bençal's shares are dealt over the counter in the U.S. and can he traded in London, by negotiation, under Bule 163 (1) (e). On Decemher 31 they were traded at 50 cents in New York, valuing KCA's investment io Barnn amonoted to \$11.4m.

Bengal has exploration and production interests in Texas.

NatWest Registrars Department

National Westminster Bank Limited has

correspondence should in future be sent to:

been appointed Registrar of

EQUIPU PLC

All documents for registration and

National Westminster Bank Limited

Telephone Bristol (STD Code 0272)

Other matters 297144

Register enquiries 290711

PO Box No 82

37 Broad Street

Bristol BS997NH

Registrar's Department

ing leases, and will also buy new Mr Wilso said that if Beogal used its shares to such purchases KCA would have to judge wbether in subscribe for extra shares in Bengal and avoid dilution. He expected the combined companies would do slightly better than breakeven for 1982. as some rationalisation took place. Cash flow might be expected to turn positive in the

CAVLAND ACQUIRES DEPOSIT TAKER

second balf of 1983.

Caviand has aonounced that it is buying Bootle based licensed deposit takers Merseyside Figure and Merseyside Facili-ties. Cavland of Lymm in Cheshire—in which the English Association Development Fund has an investment-is carrying out the deal through its Mao-chester hased deposit taker Century Industrial Services.

WESTERN SELECTION AND DEVELOPMENT Agreement bas been reached

subject to contract, whereby Westero Sciention and Develop-ment will sell its wholly-owned subsidiary British Patent Glazing Company to Aleminium and Timber Securities. Sale price will be based in the ncl asset value of BPG as at September 30

BOOSEY & HAWKES Boosey and Hawkes has agreed he disposal of its leasehold interest in 33 Margaret Street.

The acquisition of a headlease for 295 Regent Street, details of which were announced on June 23, has been completed. The company has received £4.15m which will he used to reduce horrowing.

HALLITE HOLDINGS Laurie Milbank and Co. has purchased 185.200 ordinary shares in Hallite Holdings 17.8 per ceot) at 200p per share on behalf of General Tire and Rubber Company, South Africa. General Tire now holds 686.237 ordinary (28.5 per cent).

PRESTWICH PARKER Butter Lane Numinees (Man-chester) has acquired 165,000

nrdioary shares in Presiwich Parker (Holdlogs) hringing its total share holding to 280,000 (8.26 per ccot).

Butter Lanc Nominees is controlled by Mr Jeffrey Rubins,

chairman of Prestwich Parker and thus his beneficial interest rises to 785,000 (23.17 per cent).

WEDGE CHEMICALS Wedge Chemicals, a new independent trading company specialising in the distribution of polymers, resins and speciality chemicals, has been formed as a result of a managament "buy back" from Cole Chemicals, a

subsidiary of R. H. Cole.

T. W. Ward answer to

RTZ bid Thos. W. Ward, the industrial holding company, has forecast a strong performance for its current year in issuing a detailed rejection of the fillm take-over oio from Rio Tinto-Zine Corpura much higher bid prices which RIZ may have in 1102 and Second, the conversion terms

RTZ's present bid, offering 190p cash per Ward share, is due to close of January S. Before Christmas, RTZ announced that it had so far received acceptances un benalf of 2.6 per cert of Ward's shares.

in the event of disappointing profits, see the institutions Ward is forecasting a 37 per convert their stock into as much cent gam in pre-tax profits to Third, it is intended that the to next Seplemoer. Mr Peter ordinary shares in Isis should Frost, Ward's chairman, also forecasts in a letter to share also be traded in a market maintained by M. J. H. Nightincolders that dividends for the current year will rise 41 per cent Nightingale has been making to 11n net per share against 7.8p a market in a selection of stocks recommended last year. for about 10 years. Isis will be

Toe forecast is based upon iocreased pre-tax profits of £5.6m against £2.2m by the non-construction subsidiaries—reflecting in particular new iroo and steel markets overseas—and a 27 per cent pre-tax profits increase, to 19.9m. or the Ketton and roadsione businesses.

Discussing the contribution to be made by associated crm-panies, Ward says it bas assumed unchanged profits by Tunnel Holdings, the cement company 42 per cent-owned by Tunnel, says Mr Frost. Ward. "were unwilling to co-operate in the preparation of a 1982

forecast Assessing the value of Ward's construction business alona at £60m and its associated company boldings at £95m, the chairman says: "Even a significant iocrease in RTZ's bid would remain inadequate." Ha concludes that tax considerations provide RTZ's real motive in pursuing Ward and Tunnel.

Sir Alistair Frame, RTZ's chief executive, said vesterday he thought Ward's rejection "smacks a little of panic." He said he was surprise dthat Ward could produce a forecast for the whole year "at the beginning of the fourth month when their results for December can hardly be in

See Lex

GEORGE OLIVER SELLS LEASES

The George Oliver footwear chain has decided to sell to the National Water Council and leaseback 14 properties in a deal worth 57.8m.

Preceeds from the sale will be used to renay the initial draw-down of 17m of a threeyear unsecured loan organised for the purchase of Hiltons Foctwear. The leases, each for a 25-year period, have five-yearly rental reviews and will cost Olivers £306,000 per annum

Olivers' board opted for this agreement in preference to fac-ing the high interest costs for the repayment of the 17m draw.

ABI exceeds its forecast

THE FIRST accounts for ABI Holdings show pre-tax profits of 1810,325, in excess of the 5.750,000 forecast last July. The comparable taxable figure is this specialty chemical manufacturer has slipped from \$17.39m to \$16.22m for the year lo June 30 1981.

The improvement in husiness noted to the April/June quarter, influenced parily by the lower sterling/dollar exchange rate. continued into the current year, says Mr Peter Lawrence, the chairman. Both the main operating subsidiaries have so far performed as planned, ha

Says · Demand overseas was stronger than at home, says Mr Lawrence, and the American and continental companies have been gaining business. The group gaining business. now sells about 40 per cent of its turnover overseas Bituminous products con-

tinued to develop and tonnage sold showed a significant in-crease over last year. The chairman says that a new range of exhaust repair products from Hermetite bas been well

It remains company policy to expand overseas through the acquisition of locally well-established sales companies,

says Mr Lawrence. In the U.S. ha says tha com-

pany was able to turn Dura Commodities round from losses to profits and Hermetite Products is introducing a complete line of adhesives to the U.S. given as £1.24m. Turnover of market. Mr Lawrence is confiyield profitable business for the UK company.

In view of the acquisition of 60 per cent of the equity of the group operating companies, shortly before the 1981 year end, the directors do not propose to pay an ordinary dividend for 1980-SL

A minority debit of about 40 per cent of the pre-acquisition profits has been deducted from both 1981 and 1980 figures. Next year this figure will be replaced by the interest on long-term bank loans and loan stock. Trading profit this time was

shown slightly lower at £1.01m, compared with £1.61m. Interest charges fell from £370,731 to £203,977. There was a charge for tax of £271,095. against a credit previously of £7,470. The adjustment for capital re-

organisation was lower at £217,630, compared with

Basic earnings per share emerged much lower at 13.54p (31.61p) and diluted earnings came out at 9.54p (21.78p). Tha shares are traded on the market made by M. J. H. Nightingals and Co.

Supplies (Kent), S.B. Assurance

Cray Valley Joinery Company, Caygill Pryor and Co. D. J. Matthews (Joinery Design). Goodisong, Compline, Ebony

L.A. Video (Productions).

A.G.S. Commercials and Cars

(Doncaster), Surgevale, Travella Engineering, Compass, Kamasa

and Insurance Consultants.

Wines and Spirits.

57 companies wound-up Banner Publications, E. P. Compulsory winding up orders Allam and Co. Nottingham Greyhound Stadium, Wholesale

compulsory winding up orders against 57 crimpanies ware made by Mr Justice Vinelott in the High Court. They were:
Goorji and Co. (London).
Gama Construction Company.
Extred Properties, Senfield Ezkred Properties, Property, Powergable, Hilosur, North East Plastics, Symington (Shep Fitters), George Ridyard and Soo, Poole Factors, Sandhcuse Inn.
Cooper's Structural, Redcroft
Business Consultants, Sandian,

Wiglima Building, Varaville Engineering, Kalhridge, Blank-palm, Driftmead, Russell Lunts Karnroy, Palshaw.

Russell Lunts Motor Home
Centre, Newport Caravan
Harbour, Basinghall Trust,
Motebond, EAWA Marine Trade, Leisure Centre. Whitesquare (UK), Langdale Woodworks. Semagiade,

Gardens One. Frosthire, Anglographic, Finch coral, Dykestar, Amberbury.

APE STOCK SWITCH Holders of Amalgamated Power Engineering (APE) 6 per

cent Unsecured loan stock have been called to an extraordinary meeting on January 26 to consider a switch into Northern Engineering Industries (NEI) stock following NEI's takeover of PE last autumn.

Proposed terms are £1 of NEL been trade under Rule 163 (2). APE last autumn.

7 per cent unsecured loan stock 2000-05, for every £1 of 6 per cent APE stock.
Eagle Star Insurance, as trustees to the APE 6 per cent stock, have not raised any object.

Tools, Soke Electrical, Netstal, Fivemanor, Bariag Freight Services. A compulsory winding up order made on December 5 against Gradeville was rescinded and the petition dismissed by

consent A compulsory winding-up order made on December 14 against Charlestown Diving and Marine was rescinded and the petition dismissed by consent.

GAELIC OIL

Dealings in the shares of Gaelic Oil, the Dublin-based exploration company that raised \$1.5m in a rights issue last July. are to taka place under Stock Exchange Rule 163 (3) without the need to seek the prior permission of the Council.

MATTHEW BROWN Matthew Brown's rights issue

has been taken up as to 84 per cent. The balance has been placed.

Record ordinary shares trading

tions to the proposals being

BY NIGEL SPALL

STOCK EXCHANGE trading in 1931 was marked by record business in ordinary sbares which increased by 5.1 per cent to £32.4bn. However, the number of hargains transacted in ordinary sbares during the year was 3.9m, slightly down on 1980's 4.2m and well below the neak 6.7m recorded in 1972. The average value per equity hargain during the year was £8.329, while the FT Turnover index for ordinary shares in 1981 registered a monthly average of 481.6 against the previous vear s 458.0.

The Financial Times Indus-trial Ordinary share index closed the year at 530.4 for a risc of 55.9 points over 1981. during which it ranged between 446.0 and its all-lime high of 597.3 reached at the end of April. Turnover in gilt-edged securi

ties in 1981 was down 3.7 per cent on 1980 and the amount of new Government stock issued fell dramatically to approximately £11bn compared with the 1980 record of £17.05bn. The number of bargains transacted in British Funds was 47.018 lower at 949.487. The 1981 monthly average of the Financial Times Turnpver index for Government Securities was 515.1 compared with the 1980 average of 535.0.

December, as usual, saw a sharp drop in trada in all

HOW STOCK EXCHANGE TURNOVER IS MOVING BRITISH GOVERNMENT & BRITISH GOVERNMENT GUARANTEED 1980 1979

sectors because of seasonal influences. The number of business days was the same as the previous month.

Business in gilt-edged drupped from November's £17.1hn-the highest monthly level since January 1980—to £10.8bn. Trade in short-dated stocks contracted by £2.8bn to £6.2bo and the number of bargains in gitls was 23,428 down at 62,675. The FT Turnover index for

Government . Securities in December was 458.3 compared with November's 725.5.

Business in ordinary shares also contracted last month, falling by £0.7bn to £2.1bn. The year's high of £3.50bn was recorded in April and the lowof £2.06bn in October. The number of bargains trans-

acted in equities in December-

fell by fi8,591 to 233,889 and tha

average value per bargain was

down by £319 to £8,944. Turnover in all securities during December fell by £7.2bn in to £14.1bn with the FT Turnover index down from November's 1981 high of 652.4 to 432.3.

Category	purchases & sales £m	% of total	Number of bargains	% of total	value per day	value per bargain	number of bargains per day
British Govt. and British Govt. Guaranteed:							
Short dated (having five years or less to run)	6,208.0	44.0	22,913	7.1	295.6	270,936	1,091
Others	4,620.0	32.7	39,762	12.4	220.0	116,187	1,893
Irish Government: Short dated (having five years or less to run)	501,1	3.6	1,967	0.6	23.9	254,764	94
Others	239.2	1.7	1,971	0,6	114	121,353	94
UK Local Authority	317.8	2.3	3,609	1.1	15.1	- 88,071	172
Oversess Government: Provincial and Municipal	30.9	0.2	617	0.2	1.5	3 0,156	29
Fixed interest stock pref. and prefd. ordinary shares	100,4	0.7	17,377	5.4	4.8	5,775	827
Ordinary shares	2,091.9	14.8	233,889	72.6	99.6	8,944	11,138
Total	14,109.1	100.0	322,105	700.0	*671.9	*43,803	•15,338

BASE LENDING RATES

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	A.B.N. Baok 141% Allied Irisb Bank 141%	æ Ğ
	Allied Iriso Balk 1410	
	Americao Express Bk. 142 b	ī
	Amro Bank 14100	E É
	Henry Ansbacher 1410	
	Arbuthnot Latham 145%	` ;
	Associates Cap. Corp. 15 %	4
	Arbuthnot Latham 141% Associates Cap. Corp. 15% Banco de Bilbao 141%	
	BCC1	1
	Trank Wannalim BM 198%	3
	Bank of Cyprus 141%	1
	Bank Street Sec. Ltd 16 %	1
	Bank of N.S.W 1410	
	Banque Belge Ltd 14:%	
	Bandre Pere pro	
	Banque du Rhone et de	•
	la Tamise S.A 15 %	:
	Barclays Bank 1416	:
	Beneficial Trust Ltd 15105	
	Bremar Holdings Ltd. 151%	
	Reighol & West Invest. 10 %	
	Brit. Bank of Mid. East 142 h	
1	■ Brown Shinley 10 %	
•	Canada Perm't Trust 15 %	
•	Cavendish G'ty T'at Ltd. 151%	
	Cayzer Ltd 15 %	
	Cedar Holdings 15 %	
	Cedar Holdings 15 0	
1	Charterhouse Japhel 15 %	'
	Choulartons 15 %	I
	Citibank Savings115	
	Clydocdale Baok 17570	
	~	1
•	Camenidated Crodits 196%	
	Co-operative Benk 141%	
•	Compthian Secs 1414	
	Co-operative Bank 14 % Corinthian Secs 14 % The Cyprus Pubular Bk. 14 %	

The Cyprus Popular Bk. 141%

The Cyprus Propular BK 145%
Duncan Lawrie 144%
Eagil Trust 144%
E.T. Trust 144%
First Nat. Fin. Corp. 17 %
First Nat. Secs. Ltd. 17 %
Röbert Fraser 15 %

Grindlays Bank 1141% Grindlays Bauk 1141%
Guiooess Mahon 141
Hambros Bank 144%
Heritable & Gen. Trust 144%
Hill Samuel 144%
C. Hoare & Co. 1144%
Hongkoug & Shanghai 144%
Knowsley & Co. Ltd... 15 %
Lloyds Bank 144%
Mallinhall Limited 144%
Edward Manson & Co. 154%
Midland Bank 144%
Samuel Montagu 144%
Morgan Grenfell 144%

Morgan Grenfell

Morgan Grenfell 144%
National Westminster 144%
Norwich General Trust 144%
P. S. Refson & Co. 144%
Roxburgbe Guarantss 15 %
E. S. Schwab 144%
Slavenhurg's Bank 144%
Standard Chartered 1144%
Trade Dev. Bank 144%
Trustee Savings Bank 144%
TCB Ltd. 144%
United Bank of Kuwait 144%
Whiteaway Laidlaw 15 %
Williams & Glyn's 144%
Wintrust Secs. Ltd. 144%
Yorkshire Bank 144%

Yorkshire Bank 1410 Mombers of the Accepting Houses 7-day deposits 12.50%. 1-month 12.75%. Short form \$8,000/12 months 15 10%. 7-day deposits on ours of £10,000

and under 12°%, up to £50,000 13% and over £50,000 13%. Cell daposits £1,000 and over 121.4.
5 Bemend deposits 121.4.
121-day deposits over £1,000 131.1.
1 Mortgego base rate.

M. J. H. Nightingale & Co. Limited Telephone 01-621 1212 27/28 Lovat Lane London EC3R SEB

222 167 Torday & Canisis 107 - 1,	3 1 220		F Peric Pality						
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Pricas now available on Prestel page 45146.		_	Pricas now available	א מס פ	Legio: p	28R 4914	40.		

World Bank on line with \$4bn first half borrowing

BY PETER MONTAGRON, BUROMARKETS CORRESPONDEN

THE WORLD BANK raised 2 largest in the bank's history - tapped is the floating rate bank total of \$4.16bn on international capital markets in the first half of its current fiscal year, putting it comfortably on target for the full year's borrowing programme of \$8.25m

Bank officials in Washington said yesterday that the average cost of the new borrowings, weighted by amount and maturity was 1133 per cent. compared with an average cost of 9.1 per cent on new borrowings raised in the whole of the 1980-81 fiscal year.

will be able to meet this year's market. borrowing needs, they said. The

showed quite sharp falls yester-

BY OUR EUROMARKETS CORRESPONDENT

Short-term interest rates also Eurobon

wed quite sharp falls yester Yankee issues and U.S. Treasury with prices slipping as much bonds more attractive in yield

as a points in some cases follow-ing the pronounced weakness of although there was some selec-

the New York bond market tive support from the Continent overnight.

that the fairly active trading be quoted yesterday at a dis-in the bond market was mostly count of only I received

confined to swapping rather than dealers attributing its success to

SAMA to buy yen convertibles

directly yen-denominated convertible bonds to be issued in paper, Yomiuri Shimbun, said Japan by Sony Corporation, the SAMA would buy directly a electronics company, and Honda Y20bn issue by Sony and a Motor Company, writes Richard Y10bn issue by Honda Nomura

SAMA has bought Japanese not comment on the report.

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portedly agreed to purchase corporate-bonds.

Citicory O/S 183, 86. 150
Citicory O/S 183, 86. 150
Con: Illipota 143, 84 100
Cons. Bethurst. 171, 88, 60
CPC Fin. 163, 86 60
CPC Fin. 163, 86 60
CPC Fin. 164, 86 70
CPC Fin. 164, 87 70

Quebec Province 154 89
Saskerchawen 167; 88... 100
Shell Canado 154, 81... 100
Sweden 167; 88... 150
Sweden 167; 88... 150
Sweden 167; 88... 150
Sweden 167; 88... 150
Tennaco Int. 17 89 ... 100
Texas Eastern 157; 68... 75
Transcenade 178; 88... 75
Transcenade 178; 88... 75
Transcenade 178; 88... 75
Walt Olsay 157; 88... 50
Walt Olsay 157; 88... 50
World En. 157; 88... 50
World Bank 167; 88... 50
World Bank 167; 88... 130
World Sank 167; 98... 130
Average price changes... C

DELITSCHE MARK
STRAIGHTS

Asian Dev. Bank 10, 91, 100 99, 1
Asian Dev. Bank 10, 98, 100 101, 1
Belgolettic 11, 91, 100 101, 1
CECA 10, 91 100 102, 91
COUN. of Europe 10, 91 100 102, 9
COUN. of Europe 10, 91 100 102, 9
COUN. of Europe 10, 91 100 102, 9
EEL 70, 93 70 70 702, 9
EEL 70, 93 70 700 102, 9
EEL 70, 93 70 700 702, 9
EEL 70, 93 70 700 702, 9
EEL 70, 93 700 702, 9
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The sharp decline of the New No new straight dollar bonds

75 E

borrowings raised in the past fiscal year, which ended on June 30, amounted to only \$5.07bn.

For next year, the bank plans a further increase in its borrowing. It has already said its requirements in 1982-83 will be more than \$9im and in 1983-84 more than \$10bn, and it continues to diversity its source

In the past six months, it has ngs raised in the whole of the borrowed Norwegian kroner for the first time and floated its. The bank is confident that it first issue in the Kuwaiti dinar

> But one potential source of not been taken up by the bank's funds that has self not been

Dollar Eurobonds fall sharply

FIXED RATE dollar Europonds York bond market has made were announced yesterday, but

edged higher in Europe with Nonetheless, the new six-month Eurodollar rate and six-month Eurodoposits adding Mitubishi Chemical issue with a minimum coupon of 51 per

the attractive unitarity feature.

THE Saudi Arabian Monetary convertible bonds, although it franc foreign bond markets Authority (SAMA) has re- has bought Japanese straight were also weaker yesterday. In

Hanson in Tokyo. Securities, which is said to be for TransCanada Pipelines with This would be the first time arranging the transaction, would an indicated yield of 65 per

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary marke

exists: For further details of these or other bonds see the complete list of Eurobond prices which will be published next on Tuesday January 12. Closing prices on January 5

plastics bid By Paul Betts in New York credit market. Although bank

officials said last September that such borrowing was under consideration, it is understood that slow progress has been made with the concomitant requirement that the bank should begin to lend at floating rates of interest instead of only at fixed rates as at present. Now that world interest rates have come down from their

peaks of last year, there is

thought to be less desire on the

part of the bank's borrower

customers for floating rate

loans, and the matter has still

a large floating rate note was

launched for Banque Française

du Commerce Exterieur through

Credit Suiss First Boston. The

\$250m five-year issue bears a

margin of ‡ per cent over the mean of the bid and offered

Minorco, the natural re-

sources group, is offering a \$60m convertible issue through

Hambros. The 15-year bonds

bear an indicated semi-annual

coupon of 9 to 91 per cent and

conversion premium of 10 to 12

Both the D-mark and Swiss

Switzerland terms were set on

the SwFr 50m 10-year Ansett

Transport isue to give a coupon

of 7} per cent and issue price

101. Union Bank of Switzerland

announced a SWFr 100m bond

per cent ...

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board, the officials said.

It said it would seek divestiture of all assets that may be acquired under the proposed deal. Both the tyre company and Diamond Shamrock declined to comment

The FTC contends that the proposed transactions may reduce competition in a number of chemical markets including the production of polyvinyl chloride and vinyl chloride monomers. The FTC said that Goodrich and Diamond Shamrock were each equally the third largest manufacturers of vinyl chloride monomer, while Goodrich was the leading maker of polyvinyl chloride

The proposed sale of the subsidiary by Diamond Shamrock is part of a programme of divestitures announced by the energy concern last year.

Mobil goes Supreme Court

By Our Financial Staff

MORIL, the second largest U.S. oil group, is fighting hard in its bid to stay in the takeover race for Marathon Oil. It renewed its emergency application yesterday asking the U.S. Sapreme Court to block rival bidder U.S. Steel Marathon Oil.

The regnest went to Chief Justice Warren Burger, Mobil asked that he act before midthat time U.S. Steel will be able to begin purchasing shares scribed offer for a controlling portion of Marathon Oil

Federal Judge John Manos rejected a similar request last Thursday and the Federal Appeals Court in Cincinnati,

lower court ruling which blocks it from carrying out its proposed \$6.5bn hostile takeover of Marathón on anti-trust grounds.

Mobil asks that the supreme court delay U.S. Steel's \$6.4bn friendly merger with Marathen until the court has been able to decide whether to review the injunction against

Mobil is still hoping that an arrangement to sell to Amerada Hess, another large oil company, Marathon's downstream assets will obstacles currently in the way

Kodak plans to spend \$1.5bn

	QUARTERLIES
AMERICA	N HOIST & DERRICK

200 000 Cuart 24 31 A4 30 303 19/2 1771 12'00	
Sumitomo Fin. 5-2 85 0 994 1004 6/2 19.56 19.56	It budgeted \$1.05bn for the
Average price changes On day 0 on week 0	photographic division, includ-
	photographic divisions include
GONVERTIBLE Cav. Cav. Cav. Chg.	ing \$718m in the U.S. and
BONDS date price Bid Offer day Prem	\$331m overseas and \$491m
Alinomoto 54 96 7/81 933 997, 1017, -01, 2.21	a it is a land distant
Bow Velley Inv. 8 95 4/8123.12 -1013 1033 0 19.65	for the chemicals division.
	Kodak said it planned
Canon 64 95 1/81 929 1141 1161 -21 3.82	
Daiwa Seca. 6-2 8612/81613.3 1831, 851, -01, -1.76	major expenditures to in-
Fujitau Fanuc 42 9610/81 6770 1084 1094 +14 0.98	crease capacity for existing
Furnkiwa Elec. 51, 96 7/81 300 1361, 1317, +21, 0.06	
Hanson O/S Fin. 91 96 8/81 2.74 157 88 -41 -5.44	product lines. It would also
	pursue alternative sources of
Inchespe 8 95	chemical feedstocks, methods
Kawsaaki 54 96 9/81 229 81 83 -1 0.14	of increasing productivity and
Marul 2'96	
. Matsushita El. 7-2 9511/80 590 98-2 99-4 -0-2 -1.71	environmental protection im-
Minolta Camera 5 9610/81 909 744 754 -14 5.65	provements.
Marata 54 96	The company plans to spend
MKK 62 96 7/81 188 97 984 -1 -0.17	\$456m on projects in the
Nippor Chemi-C, 5 9110/81 919 78 80 0 2.89	PROUD OH Projects in the
Ricoh 64 95 8/80 664 111 173 -04 3.73	Rochester, New. York, area
Sanyo Electric 5 98 10/81 052 814 834 - 02 5.34	where it has its headquarters.
. Spinitomo Mot. 54, 98,10/81 305 84 852 +1 0.02	
Swiss Bk, Con. 64, 90 9/80 191 177 79 +64, 10.54	
Taylor Woodrow 81 90 1/81 4.94 180 . 91 -04 -2.78	ILC AUAPPENLIES
Transco Int. 83, 95 6/81 68 1942 86 -01 26.71	U.S. QUARTERLIES
T-1 01 NE 9/04/94 M71 75 1 E// CD	
Tricorp 87, 95 2/8131.25 173 75 -1 64,69	ALICTICAN HOTET & DEDDICK
Union 8k, Switz, 5 89 2/8070.79 196 88 +1 5.25	AMERICAN HOIST & DERRICK
Union 8k, Switz, 5 89 2/8070.79 186 88 +1 5.25 Mitsubishi H. 8 89 DM 2/82 263 1003 1013 -03 -1.60	AMERICAN HOIST & DERRICK
Union 8k, Switz, 5 89 2/8070.79 186 88 +1 5.25 Mitsubishi H. 8 89 DM 2/82 263 1003 1013 -03 -1.60	. 1981 1980
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Union &k. Switz. 5 89 2/8070.79 1986 88 +1 5.25 Mitsubshi H. & 89 DM 2/82 283 100°s 101°s -0°s -1.60 Sharp Cpn. 6°s 88 0 Mc 8/80591.8 172°s 174°s -0°s -1.46 * No information available—previous day's price. † Only one market maker supplied a price. Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millione of currency onlts except for Yen bonds where it is in billione. Change on week Change avar price a week serfier. Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dra=0 ats next coupon becomes effective. Spread= Margin above six-month offered to the factive. Spread and margin above rate) for U.S. dollars. C.cpn=The current coupon. C.yid=The current yield. Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Chonge on dey. Cnv. data=1 first, date for conversion into shores. Cnv. price=Normal amount of bond per share expressed in currency of share at conversion rate fixed et issoe.	Fourth quarter S S S Revenue S S S S S S S S S
Union &k. Switz. 5 89 2/8070.79 1986 88 +1 5.25 Mitsubshi H. & 89 DM 2/82 283 100°s 101°s -0°s -1.60 Sharp Cpn. 6°s 88 0 M 8/80591.8 172°s 174°s -7°s -3.46 *No information available—previous day's price. *The only one market casker supplied a price. Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millione of currancy onlts except for Yen bonds where it is in billione. Change on week Change avar price a week serfier. Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. dra=0 ata next coupon becomes effective. Spreade Margin above six-month offered for the factories. Spreade Margin above rate) for U.S. dollars. C.cpn=The current coupon. C.yid=The current yield. Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Chonge on dey. Cnv. data=1 first date for conversion into shores. Cnv. price=1 Nominal amount of bond per share expressed in currency of share at conversion rate fixed et issoe. Prem=Paccentage premium of the current effective price of acquiring shares via the bond over the most recent	Fourth quarter

Anti-trust move over Goodrich

THE FEDERAL Trade Commission (FTC), the U.S. government agency responsible for anti-trust enforcement, declared yesterday that a proposed \$131m acquisition by B. F. Goodrich, the U.S. tyre concern, of a plastics subsidiary of Diamond Shamrock, a diversified energy company, violated Federal anti-trust laws.

yesterday on the FTC move.

and Diamond Shamrock the sixth largest manufacturer of the product in the U.S.

back to

from purchasing shares of

night tonight, because after under its oversub-

Chief Justice. Burger last week dismissed an earlier emergency application to the High Court from Mobil saying the company had to submit the request to lower courts

Ohio, rejected the same request on Monday.

Mobil has asked the supreme court to review a

Mobil'a offer.

of its bid.

By Our Financial Staff

EASTMAN KODAK expects to increase capital spending this year by 29 per cent over 1981 levels to \$1.54bn. . It budgeted \$1.05bn for the

\$376m offer for Cannon Mills

BY DAVID LASCELLES IN NEW YORK

CANNON MILLS, one of the largest textile companies in the U.S., yesterday received an unsolicited takeover bid worth \$376m from a Los Angeles investment company, Pacific Holding.

This is the second unsolicited hid Cannon bas received in a year. In January last year, Mr Harold Geoeen, the former chairman of ITT, and a group of private investors made a similar bid which was turned down. That bid also put 8 value of \$376m on the company.

ings is for \$40 for each of last full year for which figures Cannon's 9.4m sbares, coodiare available, were \$660m and tional on a minimum of 62 per profits \$21m. Although the cent of the shares being tendered, as well as on approval from the board of directors and certain large shareholders.

Cannon's Board said yester day that it would refer the bid to its financial advisers and would not take a position until it had received their report.

Cannon Mills, based in North Carolina is the largest manufacturer of towels and sheets

The offer from Pacific Hold- in the U.S. Sales in 1980, the the sale of home textile protextile industry is highly competitive and fraught with problems, Carnon has undergone a hig shake-up which is said to have improved its business prospects. As a take-over target it is also attractive because it

has a strong balance-sheet and \$60m in cash. Cannon Mills, which is 37 per cent controlled by the Cannon family, finds about 80 per cent of its operating profits from

ducts such as towels, sheets. matching draperies. Consumer textile products are nationally sold via a wholly-owned subsi diary, Cannon Mils Inc., to department and chain stores as outlets.

Profits fell sharply in 1980 as the U.S. recession bit into consumer spending but the 1981 fiscal year, which ended on December 31, showed an upturn in both sales and carnings. Order backlog was also strong,

Bethlehem outlines steel policy

BY OUR FINANCIAL STAFF

BETHLEHEM STEEL, second largest of the U.S. steelmakers, intends to continue to put its money into the steel business for at least the next two years, Mr Donald H. Trautlein, chair-He was outlining the short-term policy at Bethlehem Steel in the light o fthe currently depressed market for its major products. Bethlehem's strategy seems to

contrast with that of some of its competitors, which are aggressively diversifying into non-steel businesses. U.S. Steel, the largest steelmaker, is currently bidding \$6.4bn for Marathon Oil. National Steel has moved into the savings and loan industry while Armeo has bought on insurance company.

'Our intention today is not to in naw." Mr Trautlein said.

WHITE MOTOR said in Cleve-

land that unandited financial

statements filed with the Securi-

ties and Exchange Commission

disclosed that the company in-

curred losses of about \$146m

in connection with truck and

farm equipment operations now discontinued and a deficit of

about \$156m on the disposition

of their operations during the

15-month period ended March 31. Volvo, the Swedish car company, bought the truck-

making business of White in

Net loss for this period was

White filed a voluntary peti-

credits of about \$11m.

after extraordinary

83 per cent of Bethlehem's in 1979. \$6.7bn in total sales. The rest came from shipbuilding, plastics in steel was unlikely to im-and coal operations. Under-prove we might have to make man, said in a recent interview. scoring the group's commitment He was outlining the short-term to steel is the company's \$750m modernisation of four of its steel plants over the next four years, announced lest July.

the company's efforts to become "the lowest cost" steelmaker in the industry-where low productivity has been a major cause of poor earnings-will pay off when demand picks up. However, Bethlebem is not discounting the possibility that it might be forced in the future to go outside the steel industry as others bave done, look outside the business we are in order to improve its financial for its own steelmaking operaperformance. Return on sales tions.

Since that filing, business

under supervision of the Bank-

The White Motor Credit re-

said the confirmed plan contem-

and the possible sale of such

finance operations during 1982.

ruptcy Court in Cleveland. .

White Motor puts losses at \$301m

September 1980

In 1980, steel and steel was a dismal 1.8 per cent in related operations accounted for 1980, down from 3.9 per cent "If we saw that the situation

prove we might have to make another decision." Trautlein. But we don't have a strategy at this time on nonsteel diversification."

The board is considering the Mr Trautlein believes that sale of "one or more" of the company's coal properties. which include more than 1bn tons of coal reserves.

Mr Trautlein said the rompany also planned to increase third party sales of coal by developing some of its proper ties, either alone or in joint ventures. Bethlebem currently mines about 10m tons annually, of which it uses about 8m tons

amount of payment to creditors

and other parties concerned are

of the price to be received for

assets sold to Volvo and the

future of the White Motor

period including disposition

iosses resulted in a negative worth of about \$69.4m. It said

could be further adversely

\$500m in property deal By Our New York Staff

GM to raise

GENERAL MOTORS, number one U.S. car manufac-

turer, has granted a U.S. real estate investment company an option to buy its landmark New York skyscraper in return for a \$500m medium-term private loan at an extremely favourable interest rate. The transaction involves a

private financing of \$500m in 10 per cent 10-year notes for GM. arranged through Corporate Property Investors (CPI). GM currently has a double A debt rating and would have to pay around 15 per cent in interest to raise a similar debt in the New York bond market. In return for this favourable

loan, GM said it had granted an option to buy its Fifth Avenue skyscraper—one of the most valuable mid-town Manhattan properties—to a partnership in which CPI is acting as general The option is exercisable in

1991 at a price of not less than \$500m as well as payment of the existing mortgage on the building.

GM is extremely pleased with the transaction. Last April, the car maker, which has faced increasing financial pressure as a result of the unhappy state of the U.S. motor industry indicated it planned to sell its landmark Manhattan building which overlooks Central Park in one of the city's most prestigious locations,

But the New York real estate market, which had been booming in recent years, came to a uncertainties set standstill in the face of continuing high interest rates.

NEW ISSUE

These Debentures having been sold, this amountement appears as a matter of record only.

tion under Chapter 11 of the plan. The final form of the plan U.S. Bankruptcy Code in and the ultimate timing and

affairs have been operated on dependent on several factors,

the basis of debtor-in-possession, including a final determination

organisation plan, as subsequently amended, was con firmed by the Bankruptcy Court incurred during the 15-month on December 21. White Motor period including disposition

plated payment in full to the worth of bout \$69.4m. It said creditors of White Motor Credit the reported negative net worth

nance operations during 1982. affected by the outcome of a Negotiations were continuing number of uncertainties set

JANUARY 1982

U.S. \$80,000,000

with creditors relative to its forth in its SEC filing.

Pacific Gas and Electric Finance Company N.V

153/% Guaranteed Debentures Due 1989

Unconditionally guaranteed as to payment of principal, premium, if any, and interest by

Pacific Gas and Electric Company

- Credit Suisse First Boston Limited

Algemene Bank Nederland N.V. Banque Internationale à Luxembourg S.A. Berliner Handels- und Frankfurter Bank Crédit Lyonnais

Bank of America International Limited Banque Nationale de Paris

County Bank Limited Daiwa Europe Limited Dresdner Bank Aktiengesellschaft Kleinwort, Benson Limited Kredietbank N.V. Samuel Montagu & Co. Limited Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Links .	mining Corporation (ABC)	Dance Commerciale Identific	Dance her Gottardo	Third Street Division of the Control
The Bank of Bermuda, Ltd.	Bank für Gemeinwirtscha	fi Bank Gotzwiller, Kr	z, Bungener (Overseus)	Bank Les International Ltd.
Bank Leumi le-Israel Group	Bank of Tokyo International	Banque Arabe et International	e d'Investissement (B.A.I.L)	Banque Bruxelles Lumbert S.A.
Banque Française du Commerce	Extérien	Banque Générale du Luxembou	rg S.A.	Banque de l'Indochine et de Suez
Banque de Neuflize, Schlamberg	er, Maliet	Banque de Paris et des Pays-Bax	Banque l	Populaire Suisse S.A. Luxembourg
Banque Privée de Gustion Finan	cière Banque Wor	Baring Brothers	8: Co., Bayerisci	e Hypotheken- und Wechsel-Rank.
Rayerische Vereinsbank	Bergen Bank Berliner			lerwriters Canenove & Co.
Christiania Bank og Kreditkasst	Clarides B	ank Creditansi	ekt-Bankverein	Crédit Commercial de France
Credit Suisse First Boston (Asia	Deutschie Runk	Deutsche Girozentrale -Deutsche Kommunathank-	DG Bank Doubs to Geographic Mark	Drexel Burnhow Lambert
Effectenbank-Warburg	Die Erste österreichisch	e Spar-Casso Eur	omobiliare S.p.A.	European Banking Company
Girozentrale und Bunk der öster	reichischen Sparkausen at	Goldman Sachs International Co	rp. Hambres Bank	Handelsbank N.W. (Overseas).
Hezische Landesbank -Gienzentrale-	Hill Samuel & Co.	The Hongkong	Bank Group	Kidder, Peabody International
Kewait Foreign Trading Contrac	cting & Investment Co. (S.A.K.)	Kuwait :	international Investment Co. s.a.k.
Kusalt Investment Company (S.	A.K.) Lazard Brothe	rs & Co., Laured Frènes	et Cie Leiman Broi	hers Kuhn Loeb International, Inc.
Lloyds Bank International	Lombard Odier In	ternational S.A.	LTCB International	Manufacturers Hanover
McLeod Young Weir Internation	asi Merrill Lynch Inte	emational & Co. R. Mei	zler seel. Sohn & Co.	Mitsuhishi Bank (Europe) S.A.
Morgan Grentell & Co.	Morgan Guaranty Ltd M	lorgan Stanley International	National Bank of Abr D	habi Nomura International

Union Bank of Finland Ltd.

S. G. Warburg & Co. Ital. Yamzichi International (Europe)

OTHER STRAIGHTS Issued Bid Offer day week Yield Can. -Unlinies. -17.96 CS 50 1984, 99 +04, 0 17.22 Federal 0ev. 174, 56 CS 40 1104, 1054, 0 0 16.12 GMAC (Can.) 18 87 CS 80 1405, 1054, +04, +14, 16.18 Partcanotism 1647-28: 65 55 1884, 884, +04, +04, 18.18 Ousb. Urban 165, 86 CS 20 11004, 1014, 0 0 16.42 Roynot 174, 86 CS - 20 11004, 1014, +02, +08, 16.76 Tordom Cpn. 134, 86 CS 30, 194 85 0 -07, 15.63

YEN STRAIGHTS Issued Bid Offer day week Yield Asian Dev. Bt. 87, 291... 15 99, 1007. 0 + 404, 8.26 Australia 61, 88, 101... 20 51, 821, +04, +04, 8.27 Els 73, 89 ... 12 984, 994, 0 + 404, 7.86 Fint_Amer. Dev. 97, 97 15 991, 392, 0 + 03, 8.58 New Zealand 83, 87 ... 15 982, 1007. 0 +03, 8.57 Aiverage price changes... On day 0 on week +04,

MONTEDISON GROUP

FARMITALIA CARLO ERBA

D.M. 50,000,000 Medium Term Loan

Managed by

Banca Nazionale del Lavoro (London Branch)

Salomon Brothers Inc

Morgan Stanley & Co.

Goldman, Sachs & Co.

Atlantic Capital

Bear, Stearns & Co.

Dominion Securities Ames Inc.

Donaldson, Lufkin & Jenrette

E.F. Hutton & Company Inc.

Lehman Brothers Kuhn Loeb

Warburg Paribas Becker

Shearson/American Express Inc.

Yamaichi International (America), Inc.

Nippon Kangyo Kakumaru international, inc.

PRIVATbanken Limited

Funds provided by

Banca Nazionale del Lavoro (London Branch)

Banco Portugues do Atlantico (London Branch - Licensed Deposit Taker) PRIVATbanken Limited.

Société Financière Européenne, Finance Company N.V.

-S.F.E. Group-

The Royal Bank of Canada Group

Agent Bank

Banca Nazionale del Lavoro (London Branch)

December 1981

All of these securities having been sold, this announcement appears as a matter of record only.

Carlsberg group to sell its brewing know-how to China

BY HILARY BARNES IN COPENHAGEN

UNITED BREWERIES, the Danish brewer best known for based enzyme. its Carlsberg and Tuhorg brands, is to sell hrewing know-how to

It has signed a technical and o-operation agreement with (Canton) Brewery under a deal claimed to be the first between a Western and Chinese brewery.

Mr Poul Svanholm, UB's managing director, expects to sign similar agreements with other brewers in China. Stressing, that China planned to quadruple beer production over the next decade, he said the deal had some "interesting per-

UB also said yesterday that it was setting up a bintech-nical company, Carlsberg Bio-tial."

technology, to exploit a yeast-

The process could be used. for example, to make "human" insulin as an alternative to the chemical and gene-splicing techniques which have been developed by other companies. Carlsherg's scientists, who helieve they are currently ahead of other researchers in this field, say the process

enurmous potential. UB does not plan to go into the production of the end products, such as insulin, but to sell the active agent and the know-how to clients.

It would be several years before tha process was fully for commercial developed exploitation but "the process

Norsk-Hydro forecasts maintained annual profit

and energy group which is Norway's largest industrial concern, expects after-tax prifits for 1981 to broadly match the NKr 1.07hn (\$185.4m) achieved 1980. Turnnver at about NKr 16bn will also be in line

with the earlier year.
Mr Odd Narud, Hydro's president, said the overall result was satisfactory thanks mainly to the group's earnings from offthere oil and gas, now its largest single source of iocome.

Among its land-based activities, petro-chemicats and light metals (magnesium and aluminium) had been hard hit by the world recession and the prospects for 1982 were not

encouraging.
The fertiliser division on the

NORSK HYDRO, the iodustrial 1981 and the outlook was and energy group which is Norway's largest industrial concern, way's largest industrial concern, had made the group one of the world's largest in this field.

Despite the current slump on the world aluminium market Hydro was optimistic about tha longer term outlook for the metal, and was going ahead with expansion of its smelter in Karmoy, western Norway.
This, the group's largest

investment project in mainland Norway, will expand capacity to 160,000 tonnes per year from 110,000 tonnes, and is expected to be completed late this year or early in 1983,

Norsk Hydro has also recently increased its staka in another Nurwegiao aluminium alant Sor-Norge Aluminium to nther hand bad a good year in 25 per cent from 20 per cent.

Daimler-Benz in U.S. reshuffle

DAIMLER-BENZ, the West liner and Euclid. Germao motor group, is to realign its organisation in North America. A new company, Datmler-Benz of North America Halding Company, will be tha parent corporation of Mercedes-Benz of North America Freight-

New Issue / December, 1981

\$200,000,000

Wood Gundy Incorporated

Merrill Lynch White Weld Capital Markets Group

Smith Barney, Harris Upham & Co. UBS Securities inc.

The First Boston Corporation

Basie Securities Corporation

Dillon, Read & Co. Inc.

Lazard Frères & Co.

Drexel Burnham Lambert

Dean Witter Reynolds Inc.

McLeod Young Weir Incorporated

L. F. Rothschild, Unterberg, Towbin

New Japan Securities International Inc.

Sanyo Securities America Inc.

Imperial Oil Limited

151/2 Sinking Fund Debentures Due 2011

Mercedes - Benz of North America will continue to be the passenger car importer and distributor and will also be the parent of the recently formed Mercedes-Benz Truck Company. In addition it will be the parent of Mercedes-Benz Canada, of Mercedes-Benz Service Corpora-

tion and of two companies responsible for retail sales operations in New York and las Angeles.

Spain's capital market comes of age

OVER the past year syndicated peseta loans have become a significant element in financing the medium requirements of Spanish industry, notably in the case of the state holding company. INI, the steel industry, and the utilities.

Resort to large-scale floating rate peseta syndications reflects the financial liberalisation set in motion in 1977 by which the Government sought to introduce proper capital market in Spain remove the out-dated dependence on commercial and savings bank lending at un-

economic rates. The first syndicated peseta loan-Pla 7bn of two-year funds was signed in October 1980 by the national motor group, Seat. Since then about Pta 100hn (S1.03bn) worth of syndicated peseta credits have either been signed or are being negotiated, the vast majority of which were initiated during 1981.

Tha Seat loan, which set the ball rolling, was to some extent political. The company was state controlled, and the banks participated largely as a gesture or solidarity for a troubled

national company.

The real test for tha new market came last May when Chase Manhattan successfully negntiated a Pta 7bn credit over six years for the private utility. Sevillana. This represented a breakthrough for two reasons: it extended the length of the credit significantly; and it showed that Spanish banks. albeit on foreign initiative, were willing to try the process in the private sector.

broke the innate caution of the Spanish banks regarding the and tap instead a less costly

initiative came as an unpleasant

hank quickly prompted a reac-One month later the Spanish hanks themselves put together a loan package to Sevillana, this time for Pta 40n but also over six years. Since then the new market has not looked back.

The syndicated peseta loan market has been nurtured by the Bank of Spain, and has been championed by the more

Financial liberalisation instigated by the Spanish Government in 1977 has considerable led to development of the country's capital market and significant growth in syndicated peseta loans. ROBERT GRAHAM in Madrid reports

aggressiva of the large Spanish banks. Banco de Vizcaya in particular has been active, being agent in six out of the 13 credits so far arranged.

But stimulation has also come from external forces. The depreciation of the peseta in the past 14 months has been sharp. At the time of the signature of the first such loan the peseta stood at Pta 76 to the dollar. The parity is now down to Pta 97 against the U.S. currency. Not unnaturally depreciation

By offering a six-year on this scale has forced many maturity the Sevillana credit companies and institutions to turn away from tha Euromarkets

length of such a large credit at peseta market. Hand in hand commercial rates. For the more with the difficulties of coping conservative Spanish banks the with exchange rate risk has been the risk of fluctuating interest rates. Borrowers have This sense of encroaching on preferred to opt for fluctuations a local preserve by a foreign in local market rates. And this too has been a novelty. Until recently the idea that there could be floating peseta loans for medium term finance

was almost inconceivable. A further element that has favoured the development of eseta loans has been the surplus liquidity in the Spanish banking system. Demand for private sector credit has been slack, so much so that the Bank of Spain has revised downwards its money supply targets.

The market, however, has clearly begun to approach its current optimum and cannot expect to continue to expand at the pace of 1981. Indeed there is concern that large scale funding of single institutions or companies will absorb too much of the available pool of funds.
This concern was publicly expressed recently when the three integrated steel companies with an INI guarantee sought Pta 20bn-equivalent to almost a quarter of the total raised so far in peseta credit

Some banks complain that their margins are squeezed on peseta loans, especially as a turnover tax is applied. maintain that this could ultimately inhibit the growth of this market. However, the more sanguine in the banking com-munity feel that they have to learn to live with tighter margins, and that floating rates for medium term peseta finance will continue to have an irresistible attraction.

Further growth in 1981 for Banca del Gottardo

AN INCREASED dividend one-for-ten rights issue of new total and a further rights issue shares and participation certifiare announced by Banca del eates, the conversion of part of Gottardo, the first Swiss bank the participation - certificate to disclose figures for calendar capital in share capital of the 16 per cent to SwFr 3.65hn (\$2.05bn) in the year, and gross profits by 15 per cent to SwFr 34.5m. Net earnings were up by 11 per cent to SwFr 25.5m. The bank recommends an unchanged 12 per cent dividend

on increased capital of capital and SwFr 20m in partici-SwFr 90.75m, and a silver pation-certificate capital.

1981. The Lugano-based hank same nominal value, and the lifted its balance sheet total by creation of new share capital without subscription rights for existing bolders of shares and participation certificates. If all the recommendations

are approved capital resources will increase to SwFr 310m, including SwFr 30m in share

Montedison expects recovery

By Our Financial Staff

MONTEDISON, in a report to the Milan brokers' committee, said the top priority for Italy's higgest petrochemicals group is to return to profits.

Sig Mario Schimberni, the group's chairman, said a finan-cial reorganisation to reduce the group's interest burden. and a change in the production mix to emphasise secondary chemistry items, should turn the group's results round.

The most recent figures show jubilee bonus of 2 per cent. The Bahamas subsidiary the group posted a loss of At the bank's February 26 Gotthard Bank International annual meeting, shareholders expanded its halance-sheet total will also be asked to approve a by 12 per cent to \$28m in 1981 the group posted a loss of L267bn (\$223m) in the farst half of 1981, compared with a loss of L435bn for all of 1980.

This announcement appears as a matter of record only. November 1981.

Republic of Indonesia

acting by and through

Bank Indonesia

US\$300,000,000

revolving credit facility

Lead Managers

BankAmerica International Group Lloyds Bank International Limited

The Hongkong and Shanghai Banking Corporation

The Industrial Bank of Japan, Limited

Managers

Bank Negara Indonesia 1946 Chemical Bank International Group NV de Indonesische Overzeese Bank Midland Bank International

Algemene Bank Nederland NV

The Saitama Bank Limited

Bank of America NT & SA

Netional Westminster Bank Group

Lloyds Bank Intarnational Limited, Singapore Br

Credit Agricole

The Bank of Tokyo, Ltd. Citicorp International Group Manufacturers Hanover Asia Limited Sanwa International Finance Limited

Co-managers

Bank Bumiputra Malaysia Berhad Fuji International Finance (HK) Limited The Long-Term Credit Bank of Japan, Limited Republic National Bank of New York The Taiyo Kobe Bank, Limited

Funds provided by

The Industrial Bank of Japan, Limited Bank Negara Indonesia 1946, Hongkong Branch Chemical Bank NV de Indonesische Overzeese Bank (The Indonesia Overses Bank) Midland Finance [H.K.] Limited Algemene Bank Nederland NV Crédit Agricole The Hongkong and Shanghai Banking Corporation National Westminster Bank, Singapore The Saitama Bank Limited Bank Negara Indonesia 1946, Tokyo Branch Kleinwort, Benson Limited Mitsui Finance Asia Limited State Bank of India Tat Lee Bank Limited. Siegapore.

Agent **BA Asia Limited**

The Bank of Tokyo, Ltd. Citibank N.A. Manufacturers Hanover Trust Company The Sanwa Bank, Limited, Singapore Branch Bank Bumiputra Malaysia Berhad Fuji International Finance (HK) Limited The Long-Term Credil Bank of Japan, Limited Republic National Bank of New York, Hong Kong Branch The Taiyo Kobe Bank, Limited The Daiwa Bank, Limited Kyowa Finance (Hong Kong) Limited The Nippon Credit Bank Ltd. Takugin International (Asia) Limited

Tat Lee Finance Singapore Limited

Greenshields & Co Inc. **Bali Gouinlock Incorporated** Burns Fry and Timmins Inc. Midland Doherty inc. Nesbitt Thomson Securities, Inc. Pitfield, Mackay & Co., Inc. Richardson Securities, Inc. EuroPartners Securities Corporation Daiwa Securities America Inc. **New Court Securities Corporation Robert Fleming** Kleinwort, Benson The Nikko Securities Co. Nomura Securities International, Inc.

Bache Haisey Stuart Shields

Biyth Eastman Paine Webber

Wertheim & Co., Inc.

Kidder, Peabody & Co.

Kuala Lumpur listing for Multi-Purpose Holdings

BY WONG SULONG IN KUALA LUNGUR

MULTI-PURPOSE HOLDINGS. The group controls three the investment arm of the publicly listed companies.

Makeysian Chinese Association Bandar Raya, one of the largest

An epplication for listing has also been made to the Singapore exchange, which is expected to allow training on the same day.

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allow trading on the same day.

MPH, was incorporated five
years ago by the MCA with a
public subscription of 30m
ringgit (U.S.\$13.3m). After a
series of bonus and rights
issues, its paid-up capital is now
380m ringgit in one ringgit
shares. It would rank second in
paid-up capital, after Singapore's United Overseas Bank,
on the exchanges. on the exchanges.

MULTI-PURPOSE HOLDINGS, the group companies the investment arm of the publicly listed companies. Malaysian Chinese Association Bandar Raya, one of the largest (MCA), a partner in the Malaysian bousing developers in Melaysia, sian Government, has obtained Magnum, the lottery organisations on the Kuzia Lumpur tion, and Malaysian Plantations. Stock Exchange, and its shares It also has equal control with will be traded from January 11. Pernas, a Government agency, An application for listing has of United Malaysian Banking Corporation, the country's third

Corporation, the country's third largest bank, and has con-trolling interests in Guturie Berhad, and Dunlop Estates, both purchased from their UK parent companies last year. MPH has agreed, as previously reported, to issue 20m new shares to Bumiputras (Malays)

Government's capital issues MPH shares are currently 1981 and promises a 10 cent trading at 3.5 ringuit to 4 ring-dividend.

at a price to be fixed by the

Nissan in talks on production in India

By K. K. Sharma in New Delhi

DELEGATION from Nissan Motor of Japan is to hold talks this month with Maruti, a government-owned company, oo building a low-price car in India. Other contenders include Renault and Peugeot of France. and BL of the UK, but indications are that Nisson is at present the favourite. Agreement could be reached in the next few weeks.

In a separate deal, Nissan said, it has tentative plans for it and State-supported Hydeabad Allwyn to build an assembly plant to manufacture a threetonne truck in Andhra Pradesh Central India. Final agreement has not been reached yet, Nissan added.

The controversial Maruti project was started by the late Mr Sanjay Gandhi, son of Mrs Indira Gandhi, the Prime Minister. After setting up an elaborate factory complex in Haryana state, he abandoned plans to make the low-price small car for which the project was licensed, and diversified into areas such as road rollers.

After his death in June, 1980, Uquidation proceedings were started. But shortly before the courts were to pass final orders on Maruti, the Indian Govern-ment nationalised it and paid off all its debts. It was then decided that Maruti, should again attempt to make cars.

At present, only two cars are made in India and both are highly priced and obsolete Recently, however, Premier Automobiles signed an agree-ment with Flat to import dies and other equipment to make a new model at its plant in Bombay where at present it makes the Padmini based on a previous agreement with Fiat of Italy.

The other car manufacturer, Hindusthan Motors of Calcutta has just signed an agreement with Vauxhall of Britain to make a new car at its plant where it presently makes the Ambassador which is based on a collaboration agreement with Morris that lapsed more than

Non-ferrous boost for BY KEVIN RAFFERTY IN BOMBAY **Union Steel**

UNION STEEL Corporation, the South African metals pro-

ducer which claims the lead in the country in special steels, expects its non-ferrous division to support a "satisfactory" group performance in the current financial year ending September 30.

Last year's increased demand for non-ferrous products is seen as remaining constant, with profits in the division showing a further gain.

Weakening motor industry demand for steel, and fierce competition from overseas manufacturers of forged tool steel, are forecast.

Union Steel reported pre-tax profits of RI5.03m (\$15.5m) in the nine months ended September 30, against R17.40m in the 12 months to December 31, 1930 and not reside a R11.2m 1980, and net profits of R11.2m against R13.4m, for an adjusted gain of 12 per cent.

Earnings per share totalled 37.64 cents, against 44.95 cents,

Indian banks hard pushed to meet reserve ratios

by the Indian Government at the end of last year. This poses a delicate problem for the authorities who have to decide whether to apply tough penal-ties or to persuade banks to fall into line.

Senior executives of several banks have admitted for the first time that they were hard sed to meet the cash reserve requirement and some said that they had fallen behind on the statutory liquidity ratio. Both rates have been pushed up recently. The cash reserve on deposit with the Reserve Bank rose to 7.5 per cent of deposits at Christmas and is scheduled to rise to 7.75 per cent on January 29 and to 8 per cent on February 26. The liquidity ratio went up to 35 per cent in October from the low thirties earlier in the year.

There is more incentive for banks to abide by the cash reserve ratio because there is already a built-in penalty of high interest rates on the short- the liquidity ratio.

MANY INDIAN banks are fall plus loss of a week's falling to meet the stiffer interest on the whole of the reserve requirements imposed cash deposited with the Reserve

In theory the Reserve Bank can also fine banks failing to meet the liquidity ratio of Rs 2,000 (\$220) a day but one bank executive said: "In law the punishment also includes imprisonment, but so far the Reserve Bank has been understanding.

at least 19m ringgit in pre-tax

profits for 1981, and substantially higher profits this year

if commodity prices improve.

MCA controls MPH through KSM, a co-operative society, which holds more than 45 per

Berhad, has also applied for a

listing on the Kuala Lumpur exchange. It is making a 3.5m issue of 1 ringgit shares at 1.2 ringgits each, of which 43 per cent is reserved for Bumiputras.

The company, manufactures chocolates under licensed brand

names like Van Houten and Windmolen. It expects a pre-tax profit of 2.8m ringgit for

Chocolate Products (M)

Banks have faced an especi ally tight time recently. The bigger ones had to provide Rs Ihn (\$110m) to the Food Corporation of India, apart from the usual liquidity and cash demands. Normal end-year borrowing requirements of busi nesses are also beavy. On top of this, some deposits have also been withdrawn to buy special bearer bonds, a scheme designed by the Government to mop up black (illegal) money,

In some cases banks may be tempted not to cut overdrafts too quickly, especially if the Reserve Bank is slow to penalise them for failing to keep to

This envolucement appears as a matter of record only.

December, 1981

U.S. \$50,000,000

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NEW ISSUE

Société Générale de Banque S.A. Swiss Bank Corporation International

Union Bank of Switzerland (Securities)

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Al-Mal Group

Arnhold and S. Rieichroeder, Inc. Bank of America International

Bank Julius Baer International Bank Len International Ltd.

Bank Cantrade Switzerland (CL) Bank Lemnile-Israel Group

Bank Gutzwiller, Kurz, Bungener Bank Mees & Hope NV Banque Française du Commerce Extérieur

Banque Privée S.A.

Hill Samuel & Co.

Banque Arabe et Internationale d'Investissement Banque Générale du Luxembourg S.A.

Banque de l'Indochine et de Suez

Banque Internationale à Luxembourg

Banque Nationale de Paris Banque Pariente Banque de Paris et des Pays-Bas Banque de Participations et de Placements S.A. Banque Privée de Gestion Financière Banque Populaire Suisse S.A. Luxembourg Banque Scandinave en Suisse Banque de l'Union Européenne Banque Worms Barclays Bank Group Baring Brothers & Co.,

Bayerische Landesbank Girozentrale Bayerische Vereinsbank Bergen Bank A/S Berliner Handels- und Frankfurter Bank

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Girozentrale Wood Gundy

Fine terms seen for Indian steel plant loan INDIA'S next big international at Paradip in Orissa State is put for some lenders. \$1.2bn a year for the next

commercial loan, for the steel at \$2.87bn, of which \$1.5bn will plant project won recently by be provided under export Indian borrowing on the martine SDR 5bn (\$5.8bn) loan Davy Corporation of the UK, credits from the UK, France ket and banks are reported to from the International Monemay reach \$1bn, according to and West Germany and a be competing keenly to set into tary Fund, but the Paradip probankers in Bombay. Despite its further \$560m in aid from the the deal, the Indian Ministry of ject is excluded

earnest before the end of the will probably now be of at least mouth when the location of the \$800m and could reach \$10m. steel plant has been finalised. The very fine terms are Some hankers are talking cone expected because of the packag-fidently of a spread of a flat the benefit of the loan which will allow Ingorement pushes the between India and the UK.

Indian Government pushes the between India and the UK.

Indian Government pushes The bankers did not go into hard, it may achieve a rate as the details of the packaging, but low as a per cent, at least for said that a spread of a over part of the term.

tonne a year plant to be built up to 1.4 per cent above Labor.

France. The size of the Finance may try to pare the export credits.

Bank of India, the country's Negotiations will begin in largest commercial bank, but

part of the term.

Libor for this loan would be The total cost of the 1.5m equivalent to 1 per cent or even

FOR HELP

As there is still not much three years under the terms of Indian borrowing on the mar- the SDR 5bn (\$5.8bn) loan

Paribas of France, Commerz-bank of West Germany, and the State Bank of India. Alsthom of France and Schloemann-Siemag of Germany will be Davy's principal partners in the project. The lead group is also expected to include a number of the UK's big four banks plus Manufacturers Hanover Trust of the U.S. which has been courting India. India is keen to see good representation from Japan

the finest rates that developing. Euromarket loan was originally rates even more finely. traditional soft loan funds. Asian countries bave seen, pencilled in at \$750m, according to bankers at the State export credits. Bank of India, the country's of the UK, Davy's Bankers, plus kets. The industrial Development Bank of India, the major supplier of long-term funds to Indian industry, has just raised its first syndicated loan. The value of the Swiss francs offering was raised from the equivalent of \$15m to \$25m because of the response of the

The Government has also given permission to private sector business to borrow inter nationally without government among the lenders.

India is supposed to limit its worth about \$23m by Reliance commercial borrowings to about Textiles is nearing finalisation.

WE, THE LIMBLESS. LOOK TO YOU

We come from both world wars.
We come from Korea, Kenya,
Malaya, Aden, Cyprus . . . and
from Ulster.
Now, disabled, we must look to
you for help, Please help by
helping our Association. BLESMA
looks after the limbless from all
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can like in peace and dignity.
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BLESMA. We promise you that

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Medium Term Facility

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As Pinel Taker
To part finance a project to Algeria

FIRST CHICAGO LIMITED

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THE BANK OF NOVA SCOTIA GROUP LIBYAN ARAB FOREIGN BANK THE NIPPON CREDIT BANK, LTD.

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BANQUE CONTINENTALE DU LUXEMBOURG S.A. BANQUE INTERCONTINENTALE ARABE THE DAIWA BANK, LIMITED EUROPEAN ARAB BANK

NEDERLANDSE CREDIETBANK NV ARAB HELLENIC BANK S.A.

BANQUE INTERNATIONALE DE GESTION ET DE TRESORERIE BIGT

TAT LEE BANK LIMITED, SINGAPORE FIRST CHICAGO

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Sumitomo Finance International 化数量 医抗胆管 医普特特氏病 医肾髓 经股份

Managing director for Chivers Hartley

Mr John Morrison has been appointed macaging director of national trading activities. From CHIVERS HARTLEY, the preserves subsidiary of the tea and foods division of Cadbury Schweppes. He moves from Jeyes, also a subsidiary of Cadbury Schwenmes.

D. M. SLADE AND CO. commenced trading on January 4. The directors are Mr Martin Slade, Mrs Walerie Slade and Mr Derek Thornton. The company will trade in association with the Kiniomonth Group of Lloyd's broking companies. Mr Slade will be joining the board of Kininmenth Management, Kinin-month Marine, and Kininmonth Risk Management. Mr Thornton is appointed a director of Kiniomonth Risk Management.

Lord Windlesham, has been appointed to the board of the BUILDING GATEWAY

Shell international Chemical Company has made changes in the partnership of BUCK-

sion called SHELL CHEMICAL INTERNATIONAL TRADING COMPANY (SCITCO) will take

over responsibility for inter-national sales of petrochemicals. The president of SCITCO will be Mr A. N. Binder and the following vice-presidents are appointed: Mr E. L. M. Delboy (industrial chemicals trading); Mr R. Land (organic chemicals trading); Mr J. E. Lane (polymers trading); Mr C. N. Weller (East Europa and Middle East trading); Mr M. P. Lippner (supply and dis-tribution); Mr P. Brock (finance).

Mr Michael Butler and Mr Andrew Stoppani have been appointed directors of MACLAINE WATSON AND CO. the London subsidiary of Drexel Burnham Lambert, U.S.

Mr R. W. Goodfellow, Mr D. D. Grant, Mr R. I. Margot and Mr J. P. Monaghan will be joining

MASTER AND MOORE, stock appointed an executive director brokers, on January 8.

of EUROPEAN BANKING

Mr L Darke and Mr D.

Middleton have been appointed

directors of Turner and Newall's

subsidiary, BIP VINYIS. Mr

CHAMBERLAIN PHIPPS bas

appointed Mr L H. Phillipps as a

non-executive director. Until July 1981 Mr Phillipps was a

member of the board of Tube

Investments and chairman and

managing director of TI Raleigh

of J. A. DEVENISH AND CO., Mr Anthony Ledger Hill, will

retire, and be appointed presi-

Hargreaves who joined the com-pany as a director in February

1980. He recently retired as an

executive director from the main

On January 27, the chairman

Industries.

Mr R. E. Cole has been appointed to the board of CAMERON RICHARD AND SMITH INSURANCE SERVICES Seascope Holdings regarding manager and Mr Middleton works termination of bis former contract. Mr John S. Bennett has also joined the board. Mr Cole has also been appointed a director of Ropner Insurance Services. from MONTEDISON UK at the

end of 1981, and has been Mr A. C. Rix has been appointed for 1982 to a visiting appointed marketing director of professorship in the department BONAR AND FLOTEX, carpet of business studies in The subsidiary of the Low and Bonar Queen's University of Belfast. Group, Dundee.

Mr Simon Everard is the new vice-chairman of the LEICESTER BUILDING SOCIETY, succeeding Mr Roy Kemp who has retired. Mr Everard is chairman of Ellis and Everard, Leicester-based chemical merchants.

WHEELOCK MARITIME INTERNATIONAL, part of the Wheelock Marden Group, has appointed Mr C. B. M. Lluyd as a director.

DRAYTON MONTAGU PORTCOLIO MANAGEMENT has deputy chairman, Mr Ricbard FOLIO MANAGEMENT has appointed Mr Clive Blomfield-Smith and Mr Nicholas L. Taylor to the board.

Mr Nigel Keen has been board of the Savoy Hotel Group.

\$ & £ firm

Dr Laurence M. Smith retired

support to the dollar .. Sterling was generally firm, despite easing against the strong dollar. Reaction was favourable to the provisional money supply figures released in the afternoon. European currencies showed franc at the top of the European Monetary System, and the Belgian franc remaining the

U.S. rates this year also lent

per ceot (16.2 per cent previous month). Unemployment 8.4 per month). Unemployment 8.4 per cent (8.6 per cent previous cent (8.6 per cent previous dollar rose to DM 4.3280 from DM 4.3160. The Swiss franc was DM 4.3160. The Swiss franc was month). — The dollar rose to DM 2.2610 from DM 2.2410 against the D-mark; to FFr 5.7375 from FFr 5.6850 against the French franc: to SwFr 1.8110 from SwFr 1.7910 in terms of the Swiss franc, and to Y219.50 Y219.00 against the

STERLING - Trade-weighted index 91.4 against 91.4 at noon, 91.6 opening and 91.3 previous close (93.2 six mooths ago). close (93.2 six mooths ago).
Thre-mooth ioterbank 1533 per cent (13% per cent six mooths ago). Anoual toflation rate 12 per cent (11.7 per cent previous mouth). Ucemployment 113 per cent (11.1 per cent previous

central rates

7.91117 2.40989 8.17443 2.66382 0.684452 1300.67

EXCHANGE CROSS RATES

0.563

0.251 9.381

0.011

0,440

Belgian Franc ...

Oanish Krone ...

Germen O-Merk

Franch Franc ...

Outch Gullder ...

Pound Sterling U.S. Dollar

French Franc 10 Swiss Franc

Outch Guilder Italian Ura. 1,900.

enadian Dollar Beiglan Franc 100

3 months U.S. dollars

bid 15 11/18 | effer 15 18/18

leutschemark apanese Yen 1,000

Dollar rose against other the morning Demand for the major currencies yesterday on higher Eurodollar interest rates. sterling down to \$1.9115-1.9125 in The upward frend in Eurodollar the afternoon, and it closed at and U.S. money market interest \$1.9120-1.0130, a fail of 1,40 cents rates followed the larger than on the day. The pound rose to expected rise in the weekly DM 4.3275 from DM 4.32; to money supply figures. Comments by Dr Henry Kaufman, of to SwFr 3.4650 from SwFr 3.525, Salomon Brothers, about firmer but eased to Y240 from Y422.

D-MARK - EMS

weakest). (second weighted ludex 122.1 against 122.7 on Monday and 115.7 six months ago. Three-month interbank 10.825 per cent (12.95 per cent six months ago). Annua little change, with the French inflation 6.3 per cent (6.6 pe cent previous month). polyment 6.4 per cent (5.9 pe cent previous munth) - The D-Mark recorded mixed change weakest member.

DOLLAR — Trade weighted index (aBok of England) 107.2 against 106.4 on Mooday and 110.8 six months ago. Three-like the france and the franc month Treasury bills 11.50 per terms of the Belgizn franc an cent (11.34 per cent six months 220). Annual inflation rate 9.6 to DM 2.2540 fro mDM 2.2332 unchanged at DM 1.2500.

FRENCH FRANC member (strongest). Trademember (strongest). Trade-weighted fudex 80.5 per cent against 81.0 on Monday and 82.4 six months ago. Three-month interhank 15 % per cent (17% per cent six months ago). Annual infiation 14.3 per cent (14.1 per cent previous month). Unemploy-ment 1.846m (1.818m previous ment 1.846m (1.818m previous month)-The franc weakened against all major currencies at the Paris fixing, but remained strongest member of the EMS. The two weakest members, the Belgian franc and D-mark rose to month) — The pound opened at france and 1-mark rose to FFr 14.9040 per 100 Belgian its highest level of the day, at francs from FFr 14.8650 and to \$1.9265-1.9275, and declined to a general level of \$1.92 during respectively.

divergence

10,30

3,943 1,249

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 5)

6 months U.S. dollars

bld 14 | 1/16 : offer 14 | 3/18

士1.5368 士1.6412

±1.1077 +1.3733

±1,3733 ±1,5063 ±1,6688 ±4,1229

07,05 1680,

382.7 191,8

88.51 182.2

184.7

THE POUND SPOT AND FORWARD

				94	Three	72
Jan 5	Day's apread	Close	One month		months	p.s.
U.S. Cenarie Nethind. Belgium Denmerk Ireland W. Ger. Portugel Spain Italy Nerway France Sweden Japan Austria Switz.	1.9115-1.9275 2.2730-2.2880 4.73-4.77 73.50-73.90 14.08-14.14 1.2125-1.2230 4.31½-4.34½-124.70-125.90 185.75-186.76 2903-2314 11.10-11.15 10.95-11.01 10.60-10.65 418-424 30.22-30.42 3.45-3.48	1.5120-1.5130 2.2740-2.2750 4.74-4.75 14.08-1-14.09-1 1.2210-1.2225 4.324-4.33-1 125.00-125.30 185.30-185.10 2304-2305 10.50-10.58 10.60-10.61-43-43-43-43-43-43-43-43-43-43-43-43-43-	0.35-0.25c pm 0.17-0.07c pm 2-1-c pm 2-1-c pm 28-68c dia 42-32-ore pm 0.36-0.48c dis 2-1-1-p pm 20-185c dis 10-00c dis 13-16-10-1 dis 27-1-1-core pm per-12 dis 27-21-ore pm 151-102-gro pm 151-102-gro pm 151-1-1-c pm	0.83 4.42 -0.19 3.41 -4.12 4.85 -1.68 -2.02 -0.55 2.02 -0.55 5.15 8.93	0.75-0.65 pm 0.25-0.05 pm 0.25-0.05 pm 90-120 dis 52-52 pm 0.95-1 15dis 52-42 gm 70-465 dis 60-100 dis 443-452 dis 52-42 pm 71-45 pm 71-53 pm 53-53 pm 53-53 pm 53-53 pm 53-53 pm	1.46 0.25 3.75 -5.77 -1.65 -3.44 4.74 -1.57 -1.57 -1.9 -1.4 -2.5 -3.0 -3.0 -3.0 -3.0 -3.0 -3.0 -3.0 -3.0

Beigien rate is for convertible francs. Financial transition of the Six-month forward dollar 0.87-0.77c pm. 12 month 1.15-1.00c pm.

THE DOLLAR SPOT AND FORWARD

Jan 5	Day'e spread	Close	One month	p.s.	Three months	p.a.
UK† Ireland† Canade NethInd. Belgium Oenmark W. Ger- Portugs! Spain Italy Norwey France Sweden Jepan Austrie	1.9115-1.9275 1.5670-1.5755 1.1875-1.1896 2.4710-2.4790 38.32-38.53 7.3420-7.3725	1.9120-1.9130 1.5685-1.5705 1.1885-1.1388 2.4760-2.479 38.49-38.51 7.3675-7.3725 2.2605-2.2615 65.35-65.55 97.20-97.30 1204-1205 5.8030-6.8080 6.7350-5.7400 6.5420-5.5470 219-46-219-5 15.804-15.814 1.8106-1.8115	25-35c dis 21-9-lire dis 0.10-0.50ore dis 0.95-1.15c die 0.40-0.20ore pm 7.45-1.30y pm 61-4gre pm 0.84-0.74c pm	6.12 -1.41 -7.17 -7.17 1.26 -1.32 -3.28 -0.62 -2.19 0.66 7.52 3.51	0.75-0.65 pm 2.05-1.85 pm 0.32-0.37 dis 0.32-0.37 dis 0.10p-0.40d 1.81-1.76 pm 65-235 dis 27-29 dis 0.5pm-356 dis 27-29 dis 0.5pm-356 dis 27-29 dis 0.05pm-356 dis 27-29 dis 0.05pm-356 pm 18-13 pm 2.16-2.06 pm premiums at	4.97 -1.16 -2.77 -0.00 -3.16 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57 -3.57

CURRENCY	MOVE	WENTS	CURR	ENC	Y RAT	'ES
Jan. 5	Bank of England	Morgan Guaranty Changes	Jan. 4	Bank rate %	2pecial Drawing Riotits	Europez Currency Unit
Sterling U.S. dollar Canadian dollar Austrian schilling Balgian franc Danish kroner Geutsche mark Swiss franc Guilder French franc Lira Basad on trade wa Weshington agreem Bank ef England	01.4 107.2 88.4 117.2 104.7 87.3 129.1 153.2 14.2 80.5 55.7 145.2 ighted cha	-30.5 +0.9 -16.8 +24.8 +7.7 -10.4 +43.6 +104.2 +12.7 -14.5 -57.4 +59.5	Sterling U.S. 5. Canadian S. Austrie Sch. Belgian F. Deniah Kr. D mark. Guilder French Fr. Lira Ven Norwyn. Kr. Spanish Pts. Swedish Kr. Swelse Fr. Greek Dr.ch.	12 14.66 65, 13 11 71 ₂ 9 91 ₄ 19 51 ₂ 0 2	44.5602 8,52058 2,61448 2,86985 6,22376 1596,50 266,583 6,77960 2,44077 2,09129	0.56557 1.09601 1.29833 17,1415 41,6756 7,97892 2,44519 2,68192 1306,44 238,817 105,238 6,02912 1,95286 6,2,7079

OTHER CURRENCIES

3,466 1,810

3,157

19. 3,167

2.315 4.761

Jan. e	£			Note Rates
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t Now one rate. * Selling rate.

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The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid end offered rates for \$10m quoted by the market to five reference banks at 11 em each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Benque Nationale de Paris and Morgan Guaranty, Trust.

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FT UNIT TRUST INFORMATION SERVICE

OFFSHORE & OVERSEAS Funds

Fund Planegement Limited

Uliance International Dollar Reserves clo Bank of Bernada, Hamilton, Bernada, Acht: ACMI, 62/63 Queen St., ECA. 01 248 6881 Distribution Dec. 30-Jan. 3 (0.0001620) (12.6% p.a.)

B.I.A. Bond Investments AG 10, Burerstrasse CH6301, Zug, Switzerle Bearer Std. Dec. 19 _[10.070 | 10.600 | Bank of America International S.A. 35 Equipment Royal, Luxenbourg G.O. Widinest Income __IRSAISE 108.93-6.69 8.21 Procs at December 31. Next sale, say Jan. 8.21

Barbican Managers (Jersey) Ltd. P.O. Box 63, St. Helier, Jersey 0534 7. Helier, Jersey 0534 74806

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Hauntere Pacific Fund Mignet, Ltd.

Brown Shighey Tst. Co. (Jersey) Ltd. P.D. Box 533, St. Heller, Jersey. 0534 74777 Stdp. Bot. Fd. Un. 152.29 Sterling Cop. Fd. Ltd. 1513.62 13.63 CAL Investments (Ichi) Ltd.

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P.O. Box 178, 1211 Genera 12, 010 4122 466288
Forselex F13315 163,801-2.70 2.40

DWS Deutsche Gas. F. Wertpapiersp Gruneburgweg 113, 6000 Frankfart Investa 100246 30.95-0.25 —

Deutscher Investment-Trust
Postach 2685 Biebergasse 6-10 6000 Frankfurt
Concentra (0016 98 17.491-0111 |
101. Reutenfonds (0082-20 64.06)-0.03 | Duncan Lawrie Inv. Mgt. (Jersey)
Victory House, St. Peter Port, Guernsey.
C481, 26034

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9, Avenue de la Liberte, Limeerboury London Agent: FFS, Salisbury Hise, London Wall ECZM 57A Tel. 01-920 0176 Telex 887281 Europe-Obligations...| US\$46.30 |+0.45| 1.77 Furnitar Investments Ltd. tax lav. Find __ 1103.8 109.3 -F & C Mgmt. Ltd. inv. Advisers Fidelity international Ltd. P.O. Bex 670, Hamilton, Bermu 8, Queenanty Man 100 C Australia.
Dollar Sannos Trust.
Far East

Frankfurt Trust Investment - Coubil Free World Fund Ltd.

ment (U.K.) Ltd. Park Hse, 16 Flosbury Chrois, London EC2 Tel: 01-628 8131. TLX: 896100

Assicurazioni GENERALI S.p.A.

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1 Charing Cross, St. Heller, Jersey. 0534 73741.
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Hezel Ct., St. Peter Port, Guernsey. 0481-2664 P.O. Box 73, St. Heller, Jersey King & Sharson Mangar, (0534) 73741, Charley (508, S. Heller, Jersey. (0534) 73741, Valley Hise, S. Peter Port, Groy. (0534) 28706 1 Thorans Street, Douglas, L.M., (0524) 4878 Gelf Fund (harsey) ... 56.1 ... 6574 -0.21 14.75 GRI Trust (La.N.) ... 72.2 ... 14.75 GRI Trust (La.N.) ... 72.2 ... 14.75 Jan. 14.7 odly Pends Deposit Funds

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Priors are in pens unters otherwise indicated. Vigits % shown in lost column allow for all buying expenses. a Offered prices include all expenses. In Today's prices. a Vicini bland on offer price. It Estimated. In Today's opening price, in Ostribution free of UK Eases, in Perceio president insurance place. a Single premium insurance, a Offered price includes all expenses entitle all other insurances are to other today of the other insurances. The other includes department of the other insurances of the other insurances of the other insurances. The other insurances of the other insurances of the other insurances of the other insurances. The other insurances of the other insurances of the other insurances of the other insurances. The other insurances of the other insurances of the other insurances of the other insurances.

EURO-CURRENCY INTEREST RATES (Market closing Rates) U.S. Dollar

EMS EUROPEAN CURRENCY UNIT RATES

2,44578

6,20413 2,68369 0,889930 1306,62

Changes are for ECU, therefore positive change denotes tweek currency. Adjustment calculated by Financial Times Starling/ECU rate for January 3 0.584215

oundStarling) U.S. Dollar

1,915

0,442

0.841

rate

+2.23 +0.80 +1.49 +0.48 +0.75

French France Italian Lira Dutch Guilder Swiss Franc 1556-1578 1478-1518 1656-1512 1572-1516 1513-1578 1512-1554

SDR linked deposits: one month 12½-12½ per cent; three months 12½-12½ per cent; eix months 13½-13½ per cent; one year 13½-13½ per cent.

ECU linked deposits: one-month 14-14½ per cent; three months 14½-14½ per cent; eix months 14½-15 per cent; ene year 14½-14½ per cent.

Asian S (closing reles in Singapore): one month 13½-13½ per cent; three months 13½-13½ per cent; eix months 14½-14½ per cent; ene year 14½-14½ per cent; three years 15½-15½ per cent; four years 15½-15½ per cent; five years 15½-15½ per cent nominal

MONEY MARKETS

Revised shortage

Loodon clearing bank base lending rates 14½ per cent (since December 4)

A shortage of day to day funds was forecast by the Bank of England in the Loodon money market yesterday but the amount was adjusted upwards twice during the day. The Bank gave an early figure of -£100m, with bills maturing in official hands and a net take up of Treasury bills accountiog for £150m and Exchequer transactions a further £100m. These were offset by a fall in the note circulation of £75m. The shortage was later revised to £150m and the authorities gave assistance in the morning totalling £171m. This comprised purchases of £7m of Treasury bills in band 1 (up to 14 days) at 14½ per cent. In the interbank market overnight money opened at 14½-15 per cent and eased to 14½-14½ per cent and eased to 14½-14½ per cent and eased to 14½-14½ per cent before falling away to 8-10 per cent. Late halances were laken up to 14 per cent. Period 14 days) at 14; per ceot, £13m of local authority bills at 14; per cent and £50m of eligible bank bills at 14% per ceot. In band 2 (15-33 days) it bought £101m of eligible bank bills at 14%-14% per

The revised shortage of £150m was further amended, without taking into account the morning's help, to £250m and the Bank gave further help in the afternoon, making purchases of

MONEY RATES

Three months

IAPAN

per cent. Late halances were taken up to 14 per cent. Period rates tended to ease slightly reflecting a favourable reaction to the latest set of UK hanking figures.

in Brussels the Belgian National Bank announced 2 further cut in short-term Trea**Firmer**

trend

Gold rose \$10 to \$405-406 in the London bullion market yesterday. It opened at \$4001-15 in the morning and \$403.50 in the morning and \$403.50 in the morning and \$400.401, and a peak of \$400.401, and a peak of \$4061-4071.

In Paris the 121 kilo gold bar sixed at DM 29,210 per kilo (\$403.00 per ounce), against DM 28,800 (\$400.99) previously, and closed at \$400.404, compared with \$3941-3951.

In Luxenbourg the 121 kilo pold bar was fixed at the equivalent of \$400.50 per ounce, compared with \$399.90.

In Zurich gold finished at \$402.405, against \$394.337.

was fixed at FFr 74,500 per kilo (\$404.89 per ounce) in the after-noon, compared with FFr 74,500 (\$405.75) in the morning, and FFr 73,500 (\$404.00) Monday In Frankfurt the 121 kilo bar was fixed at DM 29,210 per kilo

17.02 176.4

67.11 21,36

16,52 31,95

22.38

2,072

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t	Got	d Buillen (fine ou	incel -	
te	Opening	(£21114-9115 ₄) (£208-2081 ₂) (£206,757) (£210,408)	\$395-305 \$3091 ₂ -4001 ₂ \$329 \$392	(£205 2051 ₂) (£207 2071 ₂) (£206 148) (£204 715)
ר	Gold	d Coins		
	Krugerrand	(£216 34.21714) (£11154-11214) (£57-5712) (£25 14.9554) (£25 14.9554) (£25 12.5134) (£260-6012) (£6034-56) (£25034-56) (£360414-20554) (£36044-26554)	\$4071 ₄ .4081 ₈ \$2091 ₂ .2101 ₄ \$1066 ₅ .1073 ₄ \$431 ₆ .441 ₆ \$4081 ₂ .4091 ₆ \$97.0721 \$113-114 \$98-105 \$488.489 \$384.367 \$508.513	(£1083,-1094) (£551,-56) (£221,-23)

sury bill rates following a similar move on Monday. The 151 per cent respectively and the Belgian authorities have rates yesterday on one, two and Interest rates have failen in so far been able to reduce domestics of the second bills were several European countries tic rates without putting pressure. three-month Treasury bills were several European countries tic rates without putting pressure all cut by baff a percentage point recently to 15½ per cent, 15½ per cent and tendency in U.S. interest rates, European Monetary System.

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GERMANY		7 days
Special Lomberd Overnight rere One month Three months Six months	10.825	Two n Three Six mo Nine n One ye
FRANCE		Two y
Intervention rete	4.4	Lo

Intervention reta

LONDON MONEY RATES

Jan. 5 1982	Sterling Certificate of deposit	interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance Heese Deposits	Company	Discount Market Deposits	Trensurv	Eligible Bank
oversight e days notice. 7 days or. 7 days notice. One menth. Two months. Three months. Nine menths. One years.	16a-1514 1512-154 15-1-154 15-1-1618 164-1618 15-1-15-16	8-15 14 ⁵ 4-16 ¹ 2 15 ¹ 4-16 ¹ 4 15 ¹ 4-15 ¹ 4 15 ¹ 4-15 ¹ 8 15 ¹ 4-15 ¹ 8 15 ¹ 4-15 ¹ 8 16 ¹ 4-15 ¹ 8	143e-145e 1434-147e 147e-151e 1614 151e 151e 152e 153e	= -	133g 161g 153g 153g 153g 163g 151g	1419-1454	10-144 	14.1 14.1 14.5 14.5	- - 1418-145a

15½ per cont.

Aproximate selling rate for one month Treasury bille 14½-14½ per cent; two months 14½-14½ per cent; months 14½-14½ per cent. Aproximate selling rate for one month benk bills 14½ per cent. two months 14½-14½ per cent. and three months 14½-14½ per cent. one month trade bills 15½ per cent. two months 15½ per cent. reads and their months 194 per cent.

The per cent is per cent in the per cent

How a coal trader became the fastest-growing UK company

By Carla Rapoport

SOMETHING IS happening in liabilities were greater than its Sheffield. In the beart of one assets. First, he said, the books of Britain's recession-hit waste were straightened out, and then laods, a small company has been the main bosioess attacked.

Over the coming year, the delivering coal door to door in small company will have all but the North. But by the early disappeared and in its place 1970s the group was concentrat-will be an international coal ing on three areas: oil storage :trader, producer and distributor with sales of £125m a year and ing and building; and open-cast a substantial bank of coal remining. serves around the world.

Britain's newest entrant to the international energy sector-is Burnett and Hallamshire, for some time the fastest-growing company in the country. The beginnings of the group's dizzying growth rate coincides with the promotion of Mr George Helsby to finance director in 1974. A short energetic man who shuns vegetables. Mr Helsby helped B & H kick through the crusty layers of more than five decades of family-style management.

The results are remarkable. Since Mr Helsby was appointed managing director in 1976, the managing director in 1976, the company bas increased turnover five times. Its pre-tax profits have recorded a seveofold increase in the same period. Sales last year should have increased by about 25 percent and profits should have nearly doubled. Most of this proveth has come through growth has come through acquisition, much of it involv-ing share swaps rather than cash. But earnings per share hava yet to suffer (see chart). Return on capital employed has ranged between 25 and 32 per cent in the last five years, but the company has not been relying on its bankers, it took out its first major loan ooly a few mooths ago.

mas, I don't have time for it," such a good share of this busi-said Mr Helsby, as he hopped ness," said Mr Malcolm Brown, anto his powder-blue Rolls a security analyst at James Royce, He's a joker, but there's Capel. But B & H has a very a hint of steel behind the smile. good record of delivering coal 'Mr Helsby is a elever man who and keeps up a high standard has pieced together his coal in mining technology." empire with careful precision. In the past year alone, the underground business, is surgroup has allocated nearly £20m prisingly profitable. According in cash and another £40m in to NCB figures, open-cast operagroup has allocated nearly £20m prisingly profitable. According in cash and another £40m in to NCB figures, open-cast operations. Mr Helsby can reel off profits of £8.43 a tonne white the details of each purchase underground activities research.

Family company

keep the larger company on pened that we had to extract Im-course? Can an open-cast miner tonnes of coal to do the job based in Sheffield handle a property," said Mr Helsby. The buge deep mining operation in group's various activities ofteo Sooth Africa? Gerlap — for example, one Sooth Airica?

Part of the answer to those questions lie in Mr Helsby's diss and sludge some 10 miles out to sea. Another unit further out to sea. Another unit further small headquarters in Sheffield cleaving up the shoreline and continuous head trained as an accountant and had previous accountant and had previous accountant and had previous an incorp, an annotated coal mining group, which broadened the tries and Union Carbide.

At that point the company's

adding on sales and profits with Founded by two brothers in the speed of the wind. Founded by two brothers in 1921; B and H had long been and distribution; civil engineer-

> " After formal examination of our assets and activities, it was decided that we were good at digging holes in the ground," said Mr Heisby. Construction activities were consolidated and B and H's subsidiary, Northern Strip Mining, began expanding the group's open-cast coal

NSM developed a "nose" for sniffing out the small pockets of coal reserves which bad beeo left behind by the National Coal Board as too small to exploit wheo the industry was nationa-lised. - Successful io obtaining licences for these pockets, B and H swiftly became the largest contractor to the NCB for open-cast mining in the UK.

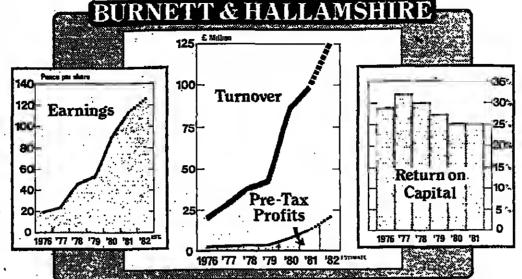
B & H continues to hold that be in communes to nord that title, supplying some 2m tonnes or about 13 per cent of the output of the NCB Opencast Executive. Considering the highly sensitive nature of coal mining in Britain, B & H is unlikely to increase its share of this market much further. However, its important position in this lucrative market is attributed to the group's highly professional mining operation.

Good record

"There's no doubt others are "Christmas? Cancel Christ-miffed that B & H maintains

Open-cast mining, unlike the not produced profitable figures for the past 10 years. --- B & H also found that its

But can the man who trans industrial property development formed the sleepy family come activates sometimes led it to pany with 250 employees into coal. We were stabilising an international energy businesses with a staff of 4,500 also the Midlands and it just so hap ness with a staff of 4,500 also the Midlands and it just so hap been than an open-cast miner to be the stage of the er to those unit has a contract to dump coal to Helshy's dust and sludge some 10 miles ing group, which broadened the mining and construction activi-



ties of the group.
"Around that time, we

realised that our growth in this lated and construction activity was slowing down. blincorp also contained a small stake in Rand London, a South African deepmining group with a London and in several deals. Johannesburg fisting, as well as few other overseas interests. Helsby's appetite was whetted.

The end-result has been a rapid-fire acquisition strategy registered to the Netherlands. Sometime before the deal. Mr Helsby's eyes fairly light a tempting morsel might catch text of this com which had taken B & H into called Anglo-International Min- B & H had sold its original stake up when Rand is mentioned. In the eye of an oil major in the share in its wealth.

and both the west and east coast of the U.S. In many cases, the country was limited," said Mr deal was clinched with a defer-Helsby, as coal remained regu- red payment scheme in which the vendor received future profits of his group provided they reached a certain level. B & H also successfully used its shares

> The most ambitious manoeuvre to date has been last cent of Brint. year's acquisition of 51 per cent Pinckney, one of of Rand London through two former shell companies, one

the Philippinas, Colombia, Chile ing. and another registered to London called Bring Investments, previously known as Hall Brothers Steamship Company.

> The boards, as well as the share registers, of Brint, Rand London and Anglo contain some of the same names. Mr Alan Ferguson, who appears on all three, owns about 25 per cent of Anglo and more than 50 per cent of Brint. Mr Jeremy Pinckney, one of the founders of Rand about five years ago, is also on all three boards.

The stage was reset as follows: building up the largest stake of

In the same month. Brint deposit and some gold and bought 28.7 per cent of Rand in a primarily paper deal with nearly 60 per cent of the shares coming from Temple Invest-ment. Mr Ferguson's Guernseyhased investment company. In April. B & H bought 23.2 per cent of Brint and Mr Helsby

joined the Brint board. B & H made its move in October, offering its share for the entire share capital of Anglo. on the condition that Anglo should first pick up Briot's stake in Rand and thus hold 51 per cent of Ranni. All these deals have since been approved. The transaction, which valued Anglo at £29m, turned Mr Ferguson's stake in the unlisted Anglo into more than £5m worth of B & H's highly marketable shares; his 50 per ceot stake in Brint provid-

Mr Helsby states that Mr Ferguson has "gone his own way since leaving the B & H board in early 1980 and has no say in the

running of the company.

mines high quality coking coal haven't had one approach yet." Mr Ferguson, a sbort-lived and anthracite for the domestic some 25 per cent of the shares. tion expected in the next few Last January, Anglo acquired years should fuel this growth.

22.3 per ceot of Rand. The group also has andulusite The group also has andulusite

> Mr Helsby claimed he was looking forward to total group coal production of 6m tonnes within three years and perhaps 8m tonnes in five years. His recent UK acquisition. Rexco. brings coal-refining expertise to the group, which he said might be applied to the low-quality coal expected from the Philip-

diamond interests.

pines project. Aoglo and Raod had already begun working on a bulk handling facilities in Ghent which when completed next year will be able to load 1,000 tonoes an hour from mediumsized bulk cargo vessels. •

"Small potatoes, really," said Mr Helsby when describing these international link-ups. 'The majors are so much bigger ing another £5m worth of B & H and have access to much more tion to nearly 1 bn tonnes of coal reserves. B & H will have an integrated coal business that mines it, buys it, moves it and sells it under one name. Such

in Rand — "because we weren't addition to some 640m tonnes of future. "If we get the right ready then," said Mr Helsby. coal reserves, the group deep-offer, then it might bappen. I

Meanwhile, coal is only part director of B & H who was a South African market and for of the B & H rocket. The company claims to be the largest shareholder in Mincorp, became export. The group expects to, pany claims to be the largest shareholder in Mincorp, became export. The group expects to, pany claims to be the largest approach of middle distillates building up the largest stake of this year and increased productions. tract with Total, Phillips and Gulf. It also retails petrol at franchised petrol stations under the brand name of UK in Liocolnsbire. On the property side, Mr Helsby discovered California a few years ago and has sunk several million dollars into a few Los Angeles deals in partnership with a local

developer. The pace at the small Victorian headquarters in the centre of Sheffield of B & H is understandably frantic. Helsby claims to oeed little sleep and is known to greet his staff with the question: "Have we bought anything this morn-

As to his own stake in the company, he sold nearly 16,000 shares last year in readiness for new share option scheme. "It just so bappens," he said cheerfully, that the middle-market price for the scheme was deter-mined in the week after Black As a result of this Monday. happy timing, some 40 execu-tives are now eligible for share purchases during the life of the It seems only fair that the architect of this company should

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 Storage Tech
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 Superior Oil
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Texaco
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Texas Eastern
Texas Gas Trn.
Texas Instrimits.
Texas Oil & des.
Texas Villites.
Texatron
Thermo Electro.
Thomas Batts.
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Tiger Inii
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121.5 —0.4 19.5 —0.4 112.0 —9.4 112.0 —9.4 122.0 —9.4 140 —1 152.5 —1 152.5 —1 150.6 —2.5 249.5 +0.3 150.6 —2.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 249.5 —3.5 272.5 —3.5 272.5 —3.5 272.5 —3.5 272.5 —3.5 272.5 —3.5 273.5 —3.5 274.5 —2.5 275.5 —3.5 276.5 —3.5 277.5 —3.5 277.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278.5 —3.5 278

D'sche Babcock 174 | 263.7 | 00 Schutt 152 | 169.3 | 00 HH | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 169.3 | 1

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Stock

Harris Corp..... Harsco..... Hecia Mining.....

Housenoid Ind...... Houston Inde...... Houston Ht Gas... Hudson Bay Mng Hughes Tool...... Humana.....

inti. Flavours..... Inti. Harvester ... Int. Income Prop. Int. Paper...... Int. Rectifier Int. Tel & Tel.

Kaneb 2ervices... 221s Kaufman 9rd..... 101s Kay Corp...... 131s Kellopg...... 221s

Macy
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Mas Multi-Corp.
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Mattel
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361g 9014 2154 651g 341g 575g 3444 367g 396g 471g 385g 321g

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Hutton (EF) 3912
IC Inds 3412
IC Inds 3412
IC Inds 3412
IC Inds 1342
IC Inds 1344
IC Inds 1444
IC Inds 1444
Ingersol Rand 574
Inland Steel 234
Interlake 3512
Interlake 3612
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IC Inds 3612
IC Inds 1444
IC In

Combustn. Eng... Gmwith. Edison... Comm.Satelite...

Granc Crocker Hat Crown Cork Crown Zell

Cummins Ehg. ... Curtiss-Wright.... Damen.....

DiGiorgio..... Oleital Equip..... Dillinghem

Dijion
Olsney (Watt)....
Come Mines.....
Donnelly (RR)....
Dover Corp....
Cow Chemical...
Dow Jones....

Oresser Or. Pepper Ouke Power Dun & Brad

Comp Science.... 1618 3012 Conn Gen. Inn. 4814

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131₆ 507₈ 50 273₄ 321₂

Stock

Modern Merchg.

Mohasco Menarch M/T.....

Pac. Tel & Tel.....
Paim Beach.....
Pan Am Air....
Pan. Hand Pipe...
Parker Drilling...
Parker Hanfn....
Peabody inti....
Penney (JCl......
Penney (JCl......

Peoples Energy...

Quarter

261a 105a 141a 921a 363a 673a 663a 43a 3014 171a 95a 124a 161a 20

253, 143, 851, 855, 351, 931, 931, 931, 931, 931, 935, 651, 651, 651, 651, 651,

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NEW YORK

ACF Industries

ASA.....AVX Corp......Abbott Labs....

Ahmanson IH.F.) 1414 1518
Air Prod & Chem 3718 1034
Altzona 1034 1034 1034
Albany Int 2874 2875
Albarto-Culv 2874 2874
Albartson's 2874 2814
Alcan Aluminium 3718 1978 1978
Alexander & Al. 2872 2874
Allied Corp 24 Allied Corp 24 Allied Stores 2874
Allied Stores 2874 2878 2618
Allie Chalmers 1176 12

Am, Standard ... 304
Am, Stores ... 9918
Am Tel. & Tel. ... 5812
Ametek inc ... 2256
AMP ... 5614
Amfac ... 2256
AMP ... 5614
Amstar ... 9576
Amstar ... 9576
Amstar ... 9576
Annouser-Bh ... 4114
Arcests ... 3514

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471₈ 36 691₈

131₄ 285₈ 205₄ 271₄ 33 295₈ 461₄

551₆ 551₈ 1221₄ 137₈ 1331₈ 115₆ 915₆ 195₆ 195₆ 531₂ 531₂ 531₄ 45

Batt. Gas & El..... Bangor Punta.... Bangor Punta.... Bank of M. Y. Bankers Tst.N.Y. Barry Wright.... Bausoh & Lomb... Baxt Trzv Lab... 9eatrice Foods... Beckman Instr... Beker Inds.....

Beckman Instru Beker Inds 6eji & Howeli.... Bell Industries...

Bucyrus-Erle 9urlington Ind ... 9urlington Nrthn

Carter Hawley....

Carter Hawley...
Caterpillar....
Colanese Corp...
Central & Sw....
Central & Sw....
Central Boya ...
Central Tel Util...
Cessana Aircraft..
Champ Home 9ld
Champ Int.....
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AMF...... AM Inti

Early Wall St. fall of 9.8

on interest rates from Salomoo at \$194.

Brothers economist Henry Among Blue Chips, volume Among Blue Chips, volume Kaufman sent Wall Street leader IBM eased \$ to \$572. Kaufman sent Wall Street sharply lower yesterday morning in active dealings. 37 44 304 82 253 36

mon Index fell 84 cents to 870.36. while declines outpaced rises by a five-to-two ratio. Trading volume swelled to 33.51m shares from Monday's 1 pm level of

25.41m Analysis said the unexpected rise of \$1.4bn in the closelywatched M1-B measure of the money supply fuelled coocern that interest rates will not decline over the near-term.

Adding to these worries were Kaufman's projections that the recept downward trend in interest rates would probably reverse before mid-year and that the dollar amount in the weekly Treasury Bill auctions would increase substantially.

increase substantially.

Larry Wachiel, of Bache Group, said investors are over-reacting to the money supply figures and Kaufman's projections because the technical undarpinnings of the market are so weak. He noted that Monday's 74-polot gain in the D-J Average was due to strength in Blue Chip stocks. Stocks setting new lows exceeded those reaching new exceeded those reaching new highs on Monday and the Bell-weather D.J. Transportation Average was lower.

Oil stocks, among the stronger

groups during the last half of 1981, fell victim to selling. Phillips Petroleum lost S1 to \$38†, Tenneco † to \$2‡, Sun 3‡ to \$90, Texas International 1‡ to \$34‡, Cities Service 1‡ to \$43‡ and Superior 1‡ to \$35. Marathen Oil fell \$3 to \$794. Mobil has asked the Supreme Court to block U.S. Steel's purchase of Marathon stock. American Can dipped 11 to \$331

Closing prices for North America were not available for this edition.

TH ECOMBINATION of a rise on news that James River is to in the weekly U.S. money supply buy some of its operations for figures and bearish projections \$420m. James River was off 1

sharply lower yesterday morning in active dealings.

The Dow Jones Industrial Average weakened 9.80 to \$72.72 at 1 pm and the NYSE All Common Index fell 84 cents to \$70.36. 318.36. Volume 2.68m shares.

Canada

Most sectors showed a downward bias in moderate early trad-ing. The Torooto Composite Index declined 19.2 to 1,837.1, Oil and Gas 45.8 to 3,667.9 and Golds 4.0 to 2,881.5. In Montreal, Banks fell 6.13 to 348.75.

Tokyo

The market was inclined to gain fresh ground initially, but subsequently declined to end mixed to lower on the day following a moderate business. Later sectiment was undermined by news of a U.S. dumping decision against Nippon Electric.

The Nikkei Dow Jones Average was just 0.50 up on the day at 7.719.34, while the Tukyo SE index lost 0.74 at 571.64 and falls finally outnumbered rises by 324 to 248 on the First Market. Volume 240m shares (150m).
Brokers said some prices had
been well ahead until news of
the U.S. Commerce Department the U.S. Commerce Department dumping decision hit the market and sent Nippon Electric and other Communications shares falling. The Commerce Department determined, for the first time, that a Japanese high-technology electronic product was being marketed in the U.S. et an unfairly law price Although

year's most promising shares, spurted ahead Y24 to Y834 on

Monday and was widely expected

day at Y826. A broker added that "the amount involved (in the dumping dispute) wasn't that

big, but the news threw cold water on the market. Pieneer Electronic, Y1,720, and TDK Electronic, Y3,590, finished year to benefit from Monory law a net Y40 and Y30 weaker respectively, while Victor fell Y110 to Y2,740, but Sony held a gain of Y40 at Y3,900.

Kyoto Ceramic drew feverish yesterday, but respectively attention triggered by

Although it is generally expected to be four to five more years before commercial production of cars with ceramic engines HR\$124.68in. becomes possible, the test oevar. The firmer

Ceramic advanced Y51 to Y1,020 in sympathy.
Sheet Glass ross Y13 to Y385. Sheef Glass 7053 Y13 to 1385.
Okuma Machinery Y25 to Y776,
Kyowa Hakko Y14 to Y632,
Yasukawa Electric Y9 to Y680
and Sumitomo Chemical Y8 to
Y181, but Canon shed Y15 to
Y925, Nissan Motor Y10 to Y825,
Hitachi Shipbuilding Y7 to Y220 and Honda Motor Y9 to Y812.

Germany

The previous day's buying en-thusiasm waned and stocks mostly retreated, with dealers reporting soms squaring of positions which were built up by professional traders on Mooday. The Commerciank index, which rose 7.0 on Monday, dipped 8.4 to 673.8. Stock market investors were

at an unfairly low price. Aithough the decision is provisional and the U.S. International Trade Commission has to consider the charges, the reports out of Wash-charges, the reports out of Wash-charg the U.S. International Trade
Commission has to consider that
charges, the reports out of Washington had a substantial impact
on the Tokyo stock market,
according to brokers.

Nippon Electronic, listed at
the top in a private post for this
wear's most promising shares. the sharply lower U.S. credit market close and yesterday's

to continue to surge. However, the turnround in the Bond the stock ended Y8 down yester market.

Shares recovered most of the ground lost on Monday when operators liquidated positions taken up before the end of the

Hong Kong Trading remained very quiet yesterday, but lyeading shares investor attention, triggered by a nationally televised test on Monday night of its ceramic engine mounted on a car.

Although it is constally assessed by and some Utilities tended to pick up a little. The Hang Seng index, after retreating 29 points on Monday, recovered 10.13 to 1.386.78. Turnover no the four exchanges totalled HK\$133.95m, compared the previous day's

The firmer trend was partially theless stirred up widespread ioterest. At one time, Koyto Ceramic was Y100 higher but then eased to end the day with a Y40 gain at Y3,950. Toshiba However, general market sentiment was mixed, and private speculators were generally adopt-

ing a wait-and-see attitude.

HK Gas looked an exceptionally strong spot in Utilities with an advance of HK\$2.75 at HK\$32.25. China Gas put of 20 cents to HK\$13.20, but HK Tele-phone, which lost HK\$1.45 on Monday, was 30 cents lower at HK\$29.50.

Australia

Activity stayed at a low ebb with prices again closing narrowly mixed. Offs, however, continued to show a figure bias, where

changed. Beach Petroleum hardened 5 cents more to A\$1.70 on news that the Bass Strait well, Sperm Whale No. 1, had encountered hydrocarbons. Santos added 10 cents at A\$7.00, but share prices of other pariners in the Jackson No I oil were barely changed.

Johannesburg

The recovery in the Bullion price to above the \$400 level left Gold shares with a firmer blas after another light trade. Among Heavyweights, firmer U.S. dollar as reasons for fontein rose 150 cents to R74

101 211														-
CANADA			SELGIUM (cont	tinued))	HOLLAND		. :	AUSTRALIA			JAPAN (conti		
Stock	Jan.	Dec.	Jan. 5	Price Fra-	+0	Jan. 8	Price Fis.	+ or	Jan. 5	Price Aust. \$	+ 07	Jan. 5	Yen Yen	**
AMCA Int I	9314	2014	Petrofina	4,600		ACF Holding	71.5	+5,2	ANZ Group	8.74		Kubota Kungsal	341 393	4-3
Abitibi.	2014	2076 614	Royale Belge	4,550 2,200	+150	AholdAKZO	63,3	-1.0	Ampol Pet	1.40	+0.03	Kyoto Ceramic	3,250	l #40
Alcan Alumin	274 45	27 M	Soc. Cen. Beige	1,076 6,170	+46	ABH	982 -	-0.7	Ausoc. Pulp Pap . Audimoo	0.10		Maeda Cons Makita	520	777
Asbestos	124	197	Solvey	6,070 6,320	+35	AMEV.,,	63.0	0.4	Aust Cuarant	9,50	-0,02	Merubeni Marudai	340	9
Bk. Hove Scotia. Basic Resources	275e	1914 4.40	UG9	1,496		Boss Kalis	69.6		Aust. Nat. Inds Aust. Paper	9.15	********	Marti	1,800	10
Sell Canada	191 _a	194	Union Miniero	1.550		Suhrmann Tet Caland Hidgs	55.5 35.7 136		Bank HSW Blue Metal	1.70	+0.56	M'ta Elec Works M'bishi Bank	1 1872	14
Bow Vallsy 9P Canada	125e	191 ₄ 331 ₄	DENMARK			Ennia Euro Comm Tst		+1	Bond Hidgs Boral	3,28	+0.05	M'Dish Corp.	633 320	125
Brasoan A	245 6.87	235g			١	Gist. Brocades	61,6		Brambles Inds	2,58	0,02	M'bishi Elect M'bishi Ri East	458	71
9.C. Forest	127a 5312	124	Jan. 3	Price	+ 01	Heineken	15.7	+0.8	Bridge Oil	4.35	+0,06	Mitaul Co	358	- 3
CadillacFalrylew Camillo Mines	134	124	Andelsbanken	129		Hunter Douglas	6,9	-0.7	Brunswick Oll	0.1B	+0.01	Mitaul Ri Est Mitau-koshi	417	#2"
Can Gement	114	11 Bg	Baltica Skand Coe Handelabank		-1	Naarde's	29,5 26,3		CSR. Ceriton & Utd	4.0	+0.82	NGK Insulators Hippon Conso		#91 410
Can H W Lande	341g 331g	351	n. Sukkerfeb+	635,4 157	0,6	Hat Hed part Ned Cred Bank	102.3	-0.6	Castlemaine Tys. Cluff Oil (Aust):	3,8	*******	Nippon Gakki Nippon Meat	700 411	-16
Can Trusco	20	20	East Asietic Foronde Berygg.	141.2	4	Hed Mid Bank Ned Lloyd	160	_7··	Do. Opts	0.45	+0.01	Nippon Oil	1,01D 955	1-80
Can Imp Bank	4155	4178	GNT Hidg	686,4 263	+0.4	Oce Grinten Ommeren (Van)	68.7	+0.1	Coles (G.J)	2,50	-0.05	Hippon Steel Nippon Sulsan	175 272	13
Can P, Ent		1858 33	Jyake Bank	185 185		Pakhoed	40,5	0.3	Container	9.40	-0,00	NTV	4,500	-10 -10
ChisftainComingo	224 354	324	Novo Ind	1,445		Phillips Rijn-Scholde	03'0	+0,6	Costalh Crusader Oll	0.0	+0.1	HashloFlour	356	1 +4
Cons Bathst A	1636	1918	Privatbanken Provinsbanken	137.4		Robeco	222,5 118,4	+0,2	CuniopElder Smith C M		-0.05	Normura	590	1 3
Costain	10	10	2midth (FI)	261,2		Rolinco	217,5 135,4		Endeavour Res Cen Pro Trust	1,82	+0.52	NYK	1,060	-1
Genison Mines	324	5.19 323 ₄	S. Berendean Superfos	139,2	+0.2	Royal Dutch Slavenburg's	93,0		Hartogen Energy Hooker	6.2	+0.01	Pieneer	1,510	40
Dome Mines		164			<u> </u>	Tokyo Pao Hg Unliever	229	-0.5	igi Aust	1.88	0.02	Renown	800	499
Com Foundries A	41	16 404	FRANCE			Viking Res Vmf Stork		+1+0.5	IJIMD'IARR(SOCFP	0.50		Sanyo Elect Sapporo	475	-9
Comtar	20	-164 217s	Jan. 3	Price	+or	VNU	48.7	2.6	Jones (D) Kia Ora Gold	0.14	10.01	Sekisul Prefab 6harp		-14 -10
Geneter-	24	74 23 te		Fra.		Velket-Stevin West Utr Bank		2,0 2,0	MiM	3.12	-0.02	Shistedo	850	7-14
Gulf Canade	750	241 164	Emprunt 44% 1676 Emprunt 7% 1876		+7 +5				Meekatharra Me Meridian Oli	0.32	-0.51	Sony	301	140
Oulfstream Res Howk Sid. Can	3,00	6,00 121 ₂	CNE &	3,920 454	+10	ITALY.			Monarch Pet	0,16	+0,01	S'tomo Marine Taihel Cengyo	610) Liz
		3034	Aquitaine	149.1	+5.6				Myer Emp Nat. Bank Hews	2,68	+0.01	Taisei Corp Taiseo Pharm	602	9410074
Hoffinger Argus, Hudson Bay Mng	25 2076	21 61	BIC	327	+2	Jan. 3	Price	+ or	Hicholas Int North Bkn Hill	1.39	+0.84	Takeda	6.690	110
do. Oil & Gas	611a	5034	Bouvoues	1,010		Assicur Gen			Oakbridge Otter Expel	9.07	+0.02	Telin		17
Husky Oil	et Tra	105e	BSH Gervals	1,174		Banca Com'le Bastogi Fin	145,580 54,500	-2,765 200	Ралсоп	2.25	********	TBS	475 515	5
Ingo	2534 1750	1714	Glub Mediter	481 353	+16	Centrale Credito Veresino	246	-0	Pan Pacific Pionear Co	1,78	+0.02 0.02	Tokyo Elect.Pwr.		5
Intar. Pipe	144	1454	CSF(Thomson)	391 183,5	+1	Fiat	8,170	-929	Queen Marg't G. Reckitt & Coin	9.40	0.01	Tokyo Gas Tokyo Sanyo	461	덈
Mac Bloodei	9534	23	Cie Bancaire	132	+9	Finalder	99	2	Santos Gleigh (HC)	7.0	+0.1	Tokyu Corp Toshiba	914 379	<u> </u>
Marks & Spencer Massey Ferg		9.05	Coffmeg	109	+19	Italicementi Italisider.	36,700	-75 -400	Southland M'n'g, Sparges Expel	0.8		TOTO Jeikan	430 414	- 6
Mointyre Mines,, Meriand Explor		104	Creusot Loire	155 50,1	+9 +0.5	Montedison	150.98	+1.25	Thee Natwide Tooth	9.50	-0.02	Victor	9.740	4-1-1
Mitel Corp	20	28 391	CFP	37	+5	Pirelli 50a	2,351	-19	UMAL Cons	9 10	+0.06	Yamaha	756 851	3
Moore Corp	714 225	714 3214	Dumez Gen. Occidental.	1,269		do. do. Pri	795	-46	Waitons	0.85	*******	Yamazaki Yasuda Fire	600 318	1
			Imetal Larfarge	76,9 282		Toro Assiedo. Pref	19,300 13,450	800 440	Woodside Petrol Woolworths	1,23	-0,01	Yokogawa Boge.	580	+10
Nthn, Telecom Oakwood Pst	194	1712	L Creat	720					Wormald Intl	9.90	-0,66	SINGAPORE		13
Pacific Copper Pan can Petro!	9.08	9,03 691 ₉	Machines 6u/L Matra	1,410		NORWAY			Have were			· e	1	1.2
Placer Dev	194	191s	I Michelin B	630	+17	NORWAY			HONG KONG		•	Jan. 6	Price	+07
Quebee Strgn	165 ₈ 5,10	15 3,10	Most Hennesey . Mostlinex	38	+9	Jan. 3	Price	+ or	Jan. 6	Prioc	+ or	Boustead Bhd	2,89	0.0
Ranger Oil	2%	95	Paribas Pechinay	09	+3 —1	Bergens Saks	110.5	-0.5		H.K.S		Cold Storage	8.5	0.1
Reed Stenhs A Rio Algem	1158	115	Parned Ricard	291 148,5	+7.3 +1	Borregaard Creditbank	137 5	0,8	Cheung Kong	91.2	8,0+	Haw Par	3,64	+0.4
Royal Bank	67 144	3578 1459	Peugest-S.A	179.5 137.5	+7.7	i E)kem	40	+5	Cross Morbour	10.3	+9	Malay Banking	7.45	-0.0
Sceptre Res	13 5834	15 6878	Radiotech	194 770	+5	Kosmos Hersk Hydro	405 236	<u>—12,5</u>	Hang Seng Bank HK Electric HK Kowloon Wh.	5.3 5.4	+0.1	Malay Brew	4.70 12,2	0.8
Steel of Can A	161g	194	Rhene-Poulenc_	117	-1.3	Storebrand	1 250		HK Land	9.23	+0.18	Straits Trdg	10.40	Tos
			Roussel-Ucief St.Cobain	919,9					HK Telephone	29.5 17.3	-0.5 +0.5	NOB	4,48	0.0
Teck B Texaco Canada	354	11 35	Skis Rossignei	477 322	+3	SWEDEN			Jardine Math New World Dev	19.5 5.00	+0.06	SOUTH AFRIC	A	
Thomson News A. Teronto Dom 9k.	231s 311e	313 ₄	Telemech Elect. Thomson 9randt Veleo	977 242,3	+0,6	Jan, 3	Price	+ 61	SUK Prope	5.8	-0.05 -0.1	Jan. 5	Price	- or
TransCan Pipe TransCan Pipe Trans Mntn. Oli A	104	1014		177	+9		Kronor		Swire Pac A Wheel'k Marki's Wheel'k Marki's	11.3 6,3	+0.1		Rand	1
Utd. Sisoo Minas Walker IH) Res	554 2354 161a	554 2314	GERMANY			AGA	299 910	+9	Wheel'k Mariti'e World Int. Hidgs,	5.20	· • • • • • • • • • • • • • • • • • • •	AbercomAE & CI	4.25 9.9	+0.0
Weston (0=c)	66	154 381 ₂	Jan. 6	Price Om.		ASEA	686 .	+2		, -		LAVIERO ATT	163	- 6.2 - 6
			AEG-Telef	45.4	-1,5	Boilden	230	+8	JAPAN			Anglo Am Gold_ Anglo Am Prop Barlow Rand	3.85 10.56	10.0
			Allienz VeraBASF	430 134	****	Colluiosa Electrolux B	245	+0.5	345.5	Dela a		GHA Invest	45	+0.2
		4	Bayer Hypo	114.0		Ericseon	220 163	+8	Jan. 5	Price Yen	+ or	Currie Finance	9.0	-0.0
			Bayer-Veroin	672	_6 _1.5	Fagersta	1 132	+2	Ajinomoto	904	+9	Oriefontein	8.68	+0.0
			9MF-Bank	107 191,5	-4 -1,5	Fertia (Free) Me ooh Dom	128	<u>-1</u> +3	Amada	636 . 687	+5	FS Geduid Gold Fields SA	38.5	10.6
AUSTRIA			Grown Boveri	208		Saab-Skania Sandvik(Free)	ו מפס	+2	Gridgestone	435 925	44	Highveld Steel	5.05	10.
Jan. 5	Price	+ er	Conti Gummi Daimier Benz	49 3	700	Skandie	580	+10	Citizen	328	-1 .	Klend	38.5	1036
	2		Gegusse	240,3	-2	9KF B	170	+4	OKBO	475 709		Nadbank OK Bazaars	21.23	3070
Creditanstalt	220 127	+2 -7	D'sche Babcock		+1 -6	St Kopparberg Sven Handelsbn . Swedish Match	137	+9	Dalwa House	400 375	+30	Protea Hidgs	11.4	
			Daureche Bank		_00							Rennies		

Price Fre-

678 1,100 1,285, 970 9,010 2,200 3,200 1,350 1,350 1,360 3,450 1,360 3,200 1,450 24,150 4,150 4,150 6,90 6,90 6,90 6,90 6,150 6,150

-10 -10 +25

+ 10 + 10

+5 +6 +100 +9 -70 +99

SWITZERLAND

Alusuisse
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Ciba-Gelgy
do (Part Certs).
Credit Sulsse
Elektrowatt
Fischer (Gee) ...
Hoff-RoohePitch
Hoff-Roohe 1110
interfood
Jelmoli
Landis & Gyr...
Hestie

Oer-Buhrile
Pireili
Sandoz IBi
Sandoz (Pt Cta)
Schindler (PtCta)
Swissair
Swiss Bank
Swiss Bank
Swiss Volksbk ...
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Winterthur
Vinterthur

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+3

+5 +4 +4 -2 +9 -9 +10 +11

Financial Rand US\$0.79 (Discount of 241%)

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Ghase Manh Ghesse Pont Ghesse Pont Chicago Pne Chicago Pne Chicago Pne Chicago Pne Chicago Pne Chicago Pne City Invest Glark Equie Cleve Cliffs Coro X Cluett Peab CocalCols Collete Path Collins Alkm Colt Inds	att'n (d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d d	5378 5378 5414 5378 1914 45 45 45 45 45 45 45 45 45 45 45 45 45	5312 5312 5314 19 319 45 6514 42934 67 43111 16 3454 151	General Genera	ine Pagle Pagurce, es Pro Oil Inga Lette I Marriel (I year 1	rtsdd	578 3119 2012	5888 321 1 2 7 3114 1 9 1 3 1 1 4 1 9 1 3 1 1 4 1 9 1 3 1 1 4 1 9 1 5 1 1 9 1 9 1 9 1 9 1 9 1 9 1 9 1	McCuli McDon McDon McGrav McGrav McLau Mead Mediro Melico Melville Memor Mercar Mercar Mercel	coh	28.0
NEW		ı	~	lnc pow.	ONES		19	61	Since C	mpil't'n	
	Jan. 4	Gec.	20 20	22 Oec. ·	28	Dec. 24	High	Low	High	Low	1-
eindustr' is H'me Bnds. Transport. Utilities Trading Vol 000-j	56,98 378,65 109,65	67,05 380,50 108,92	56,69 376,44 109,54	56,95 378,57	57,45 578,44 109,91	67,22 380,58 188,88	1024,08 (27:4) 65.78 (18:1) 447,38 (18:4) 117,81 (5)1)	(25(8) 54.89 (1(18) 565,48 (25/8) 101,28	1561_78 11(1) 75) 	(2/7/42) - 12_28 (8/7/82) 10_6	I KAN AO I BB I
⊕Day'e high	887.3	7, jov	v 871,8	35. [']	_	' '	'			1	8
Ind.	iv. yle	old %	-	5,36		ec, 24 B,33	Dec.		arago i	approx 59	F
STANCARD	ANO I	CORS	i	1	,		19	81	Since C	mpli't'n	ē
	Jan. 4	Dec. 31	Dec.	29 29	28 28	Dec.	High	Low		Low	CH H

1-d div si-ld D						100	
ind. div. yield %		5.36	- 5.	35	8.83	4	.56
Ind. P/E Ratio	_ _	_	. 9.	24	6,24	2	,57
Long Gov. Bond yield	1	l3.71	13	.60	13,04	11	78 ·
NY. S.E. ALL COMMON		981				, 4 Dec. 6	-
Jan. Dec. Dec. Dec. 4 51 50 29			e Ris	45	aded1,81	50 059	912
71.80 71.11 70.90 70.3B	79,14 (8/1)	64,9	6 Un	chang	ed 34	455 9 1B 10 25	. 613
MONTREAL		1	D	D		1291	
	Jan.	Oec. 51	Dec. 30	29	·HIgh		Low
industrials Combined	352,79 318,88			881,88 815,07		/6) · 418, /6) 286,	21 (25/5) 97 (26/5)
TOTONEO 00	10E0 2	S 054 01	040 4	0.020	0270 P (18	1015	46 (35.0)

		(EW Y	DRK A	CTIVE STOCKS			
			Shange				Change
12M Exxon	traded 727,800 636,500 578,400 484,900	30° 163 20°	en day +13, - 3, - 4, - 5, 14,	Cine's Rest Am. Tel. & Tel. Seny. Stand. Oil Ohio Mobil	traded 417,200 377,500 365,900 362,700	58 ² 2 17 ⁴ 3	on day 十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二十二

NEW Y	ORK		-pow	JONES												
	an. 0ec	0ec.	Oec	Dec. 28	Dec. 24	High	Low		Low		Jan.	Jan.	Dec.	Dec.	198 High	1-82
eindustr' is 86 H'mc Bnds.	62.52875.0 56.98 67.0	-	1 1	870,54 57,45	576.38 67.22	1024,08 (2714) 65,78 (1811)	\$24.81 (25(8) 54.89 (1(18)	1561.78		AUSTRALIA Ali Ord. (1/1/80) Metal & Mines (1/1/80)	684,8 422,7	585,5 425,1	695,5 424,1	895,1 427,8	757,3 (8M) 756,2 (7/1)81)	645,8 (28/10) 404,5 (20/11)
1,1-10,1-10	78.85 380.1 08.65 108.1	1		378,44 5 103,91		447,38 16/4) 117,81	365,48 (25/8) 101,28	447.88 (16/4/ 61) - 165.82	(8:7182) 10.5	AUSTRIA Credit Aktien (2/1/62)	58,22	24,55	87.14	67.14	CEAT (SAIAT)	68,84 (18/10)
TradingVol 000-j	6,760,44,7	42,86	35,300	98,328	3,840	(511)	128/9)	(20/4) 68)	(28/4/42)	BELGIUM Belgian SE (51/12/55)	81,45	85,04	(c)	87,24	81,48 (5/1/82)	व्यक्त (१९१६)
◆Day'e high 8	87.37, 1	ow 871	85.	ا.		· I			l	OENMARK Copenhagen 6E (1/1/73)	178,56	118,64	(c)	114,77	125.55 (17/12)	35.85 (2/1/87)
Ind. div	v. yield %	-	Dec. 31 6,36		c, 24 3,33	Dec. 6,3		ear ago 3,	iapprox 59	FRANCE CAC General (29:12/61) Ind Tendance (51:12/61)	(v)	88.8 27.7	12,30 109,00	95,0	112,5 (17/5) 100,00 (51 ₁ 12/61)	77.3 (15/5) 87.7 (11/82)
STANGARD A	No Pool	1	Dea	Dec.	Dec.	19	8 1	Since (mpli't'n	OERMANY FAZ-Aktien (\$1/12/58) Commerzbank(Dec 1953)	221,55 875,8	925.21 689.9	(e) (c)	221,08 67ь,2	245.47 (5/7) 749.0 (8/7)	216,85 (3/2) 685,4 (18/2)
indust'is'i	4 3 187.28 187	1 60	89 156,0	28	187.0	(611)	128,49 (24/9)		3,52 (80/8132)	HOLLAND AHP-CBS General (1870) ANP-CBS Indust (1970)	65,9 85,7	84.7 66,2	(c)	84,8 86,1	- 85.8 (29/6) 78.4 (22/8)	78,5 (28/9) 61,4 (22/12)
Composite 1	122.74 12	,55 122,		71 129,27		(8)1)	_	(26/11 40	11/8/52	HOHD KONG Hang Sang Bank (81/7/64)	1888.71	1878,88	1405.82	1475,31	1970,20 (17/7)	1115.77 (5/18)
Ind. div. yield	Z	<u> </u>	5.36	Dec.	93 35	Dec. 3,3:		ear age		ITALY Banca Comm Ita (1972)	159,66	195,60	164,61	190,43	292,03 (5/6)	188,44 (24/7)
ind. P/E Ratio			_ 13.71	. 9 <u>.</u> 13.		6,24		2,5 11 7	<u> </u>	JAPAN** Dow Average (16/6/49) Tokyo New SE (4/1/48)	7716,54 871.64	77 18.84 672,68	Icl (a)	(e) (c)	8019,14 (17/8) 805,82 (17/8)	8958,52 15/8) 485,79 (5/1/81)
NY. S.E. ALI	L COMM	ON .			_		and Fa	ilis -Dec. 61	Osc. ŠÖ	HORWAY Oslo SE (1)1/72)	125,88	127,16	(c)	125,81	145.72 (8/8)	110,54 (5/6)
Jan. Dec. D	ec. Dec	.'	1981 Lov			eded	,893 930	1,999	1,993 912	SINGAPORE Straits Times (1889)	807,14	787,75	780,78	778,80	876.28 (26/9)	615,28 (1/8)
71.8071.1170			64,9	Fall 6 Und 5) Her	w High	5d	501 545 9 10	606 455 1B 25	668 613 . 9	SOUTH AFRICA Gold (1958) Industrial (1958)	(u) (u)	685.8 793.8	=	598.6 701,2	797,8 (7/1/61) 708,4 (21/18)	473,6 18/7) 657,2 16/2)
MONTREAL		Jan.	Oec.	Dec.	Dac.			291		3PAIN Madrid SE (60/12/81)	.99,17	(c)	(c)	100,00	188,86 (58/12/81)	99,17 (5/1/87)
	dustrials	552.7		30 832,67	29 881.88	- HIS	(27/6)	810,21	(25/5)	SWEDEN Jacobson & P. (1/1/58)	627,22	621,15	(e)	612.34	686.51 (16/8)	404_17 (29/1/81)
TORONTO C	mbined Composit	316.66 a 1858,3	!		815,07 888,4	2578.8		-	(25/5) 5 (25/9)	SWITZERLAND Swies Bank Opn. (81/12/68)	280,1	253.6	258,50	259,9	884.2 (2/4)	241.9 (17/11)
		NEW	YORK Ghans		VE ST	ocks			Change	WORLD Capital Intl. (1/1/78)		147,2	145,6	145,5	182,8 (6/1/61)	188.5 (26/9)
Menday 12M Exxon	trede	100 58	ng en e day -} +1:	. Cir		est & Tel.	traded 417,20	17-2	day	(**) Base values of all & 500; NYSE All Common	dicas	ere 100	excep	t Austr	:) TSE (c) . alls All Ordinas —10; and Toro	y end Metals— nto—1,000; the

† Excluding bonds. ‡ 400 industriels. § 40 Financials and 20 Transports, c Clo

هكنا من المعل

Speculators fuel cocoa market upturn

BY RICHARD MOONEY

THE UPTURN in world tocoa the stock to 67,945 tonnes and ment that is the responsibility prices prompted by the recent another 31,400 tonnes is to he of the whole country." coup in Ghana accelerated bought directly from producing yesterday with the May position countries by January 22. on the London futures market At one stage May cocoa gaining £32.50 to £1,207 8 tonne. The price has now risen £75.50 since the New Year's Evecoup_reaching the highest_level for more than two months.

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London dealers said yester day's rise reflected "follow- late trading through" trading from the over- Accra Radio, monitored by night rise in New York where Reufer in Abidian, Ivory Coast, a historically high level, Ghana's chart and computer buying was broadcast a speech by Pro- failure to get much of its cocoa noted. The upward impact was visional exacterated by speculators covering against earlier "short" sales, they added.

included buffer stock purchases by the International Cocoa-Organisation (ICCO) on Mnn-day of 3,600 tonnes. This took

BOTH lead and zine gained

terday as markets reacted to

and-maintenance basis indefi-

state of the metals market there

KUALA LUMPUR-The Kuala the same.

the decision by Tara Mines to of 27, put the Navan lead-zinc mine up. in the Irish Republic in a care—Eur

After a six-month close-down nitely was summed up by Prcs-

because of a strike by the sag and Metaligesellschaft, the craftsmen at the mine, the com- main West German zinc pro-

force. Tara is an important sup- to encounter more than ematt

plier of lead and zinc concen- direct problems as a result of

trafes to European smelters; the decision. However, there

But in the present depressed could be some indirect prob-

Lumpur Slock Exchange (KLSE) - "As far as Maminco is con-

group Malaysia Mining Corpora created more questions than tion (MMC) to comment imme answers the article said addiately on a local press article ing that possibly the KLSE

dialety on a local press article ing that possibly the KLSE referring to MMC's alleged links could clear up the mystery.

with a recently established private company called Maminco.

The article, which appeared was set up last June by MMC's yesterday in the local daily The chief executive. Abdul Rahim Star, asked among other things. Aki, and two other directors whether Maminco and the indicating and the articles.

influential tin buyer on the ringgit according to the articles

BY ROY HODSON

reached £1 202 a tonne but origin selling was encouraged at this level notably from the Ivory Coast, and with some speculators taking their profits the rise was trimmed hack in

Further upward influences PNDC will be to see to the

Tara mine move boosts lead/zinc

BOTH lead and zinc gained On the London Melal of increased demand from ground in London trading yes-terday as markets reacted to £454.50 a lonne for cash, a rise Tara supplies.

of £7 on the day. Lead finished

at £356 a tonne for cash—£4.50

prospect of the Navan mine

being out of production indefi-

pany's latest pay offer was ducers. Both companies said man producers to be offering the rejected yesterday by the work- last night they did not expect metal at price levels slightly

lems affecting the European

Exchange questions tin company

has asked the listed tin mining cerned, its appearance has which quoted informed industry

trate prices could rise because ing.

is no urgent need for the Tars metals industries. Spot concen- an impact upon European Irad-

The Chana Cocoa Markeling Board said yesterday it purchased a total of 53,626 tonnes of cocoa heans in the third fourth and fifth weeks of the 1981 main crop season ended December 17. That brought cumulative purchases for the season to 115,683 tonnes.

With a fifth successive world cocoa production surplus in prospect and stocks standing at visional National Defence to the ports has been one of the Council (PNDC) leader Fit-Lt few "hullish" influences on the Jerry Rawlings in which he said market. If the new regime is evacuation of all locked up could he put under further pressure making the ICCO's job of supporting the could be could be put under further pressure making the ICCO's job of supporting the could be could be put under further pressure making the ICCO's job of supporting the could be could be put under further pressure making the ICCO's job of supporting the could be could be put under further pressure making the ICCO's job of supporting the could be could be put under further pressure making the ICCO's job of supporting the could be could be could be put under further pressure making the ICCO's job of supporting the could be c an immediate task of the more successful than the last in in the rural areas."

of supporting the market still more difficult.

Tara Mines declared force

majeure on all tead-zinc concen-

trales shipments on July 6 1981

and forced the company to lay

Zinc is still sufficiently plenti-

ful in Europe during a period

of poor demand for some Ger-

below the producer price. The

zinc market is likely to remain

quiel for some months to come.

longer strong chough to have

It also referred to a Reuter

sources as saving Maminco was

it does no one really knows."

It added however that it is

known Maminco has made sub-

stantial purchases on the London Metal Exchange since

"What Manunco is and what

not a subsidiary of MMC.

the Star article said.

SILVER

COCOA

COFFEE

COFFEE

range for most of the day.

Silver was fixed 7.9p sn Ounce higher for apot delivery in the London bullion merket yeatordey at 425.4p. U.S. cent equivalents of the fixing levels were: apot 815.5c, up 9.3c; three-month 842.6c, up 8.9c; six-month 876.7c, up 11.4c; and 12-month 938.2c, up 11.3. The metal opened 423-427p (815-820c) and closed er 436-440p (836-841c).

Fururee opened £20 higher se due sgainer New York's close and then steaded forther as leash commission house and chartist buying caused prices to move limit-up. Trade hedging

of modest producer sales caused values to close off the highs, reports Gill and Outlus.

Sales: 4,326 (1,499) lats of 10 tennas. ICCO—Daily price lob Jan 5: 101,50 (98.92). Indicator prics for Jan 6: 97.23 (95.87). U.S. cents per pound.

A firm close in New York end weaker Stering Island to have any argument impact on a disappainting opening, reports Orexel Burnhem Lambert. Values remained fixed in a narrow

Jah ... 1154-56 +4.0 1161-S1
March... 1147-48 +4.0 1152-46
May 1125-26 +4.0 1132-25
July 1118-20 +5.8 1125-12
Sept... 1115-16 +6.0 1120-13
Nov... 1111-15 +8.0 1106
January 1104-15 +5.5 -

Seles: 2.266 [1.340] lots of S tonnes. ICO indicator prices for January 4 (U.S. cente per pound): Comp. 0aily 125.19 (124.03); 1S-day average 123.14

Yesterday's Gloss + or Business Done

Yes'rday's + or Susiness Close — Done

1218-14 +44.5 1216-82 1206-02 +33,5 1212-88

1218-15 |+30.0 1218-81 1295-86 |+36.5 1230-03 1240-44 |+55.5 1246-14

Tara supplies.

off the miners.

European reaction to the after the craft-men walked out

Rise in farm land prices

By Our Commodities Staff

ENGLISH FARM land prices turned higher towards the end of last year, according to figures published by the of Agricolture Ministry yesterday.

The average price for reported sales totalling 10,300 hectares in the Seplember-November period was £4,251 a hectare, up from \$4.027 in the Aprust-October quarter and the highest level since June 1980.

The weighted price, which allows for the area and size group composition of the sample, was up £94 to £4.084 a bectare while the tanit price index rose from 205 to 210

New tomato variety aids island's crop

By Our Own Correspondent

PRODUCTION OF tomatoes In Guernsey this year is not expected to drop drastically even though the area of glasshouses used for the crop is being reduced from the 1981 lignre of 420 acres to 330 scres. This is due to 5 massive swing hy local growers to the new high-yielding Dawn (E4884) variety.

The results of a census announced vesterday by the island's hortteuttural committee show that the Dawn variety will account this year for 88 per cent of the area uniler toins to cultivation.

The committee says that, hecause of the increased productivity of this new variety and the larger area of modern glass, the erop in the coming year could be as high ae 5.7m six-kilo trays compared with 6.5m trays in 1981.

Last year's figure represented an average of nearly 93 jonnes of fruit per acre. hut many growers using the Dawn variety topped 130 tonnes per acre and some recarded 160 tonnes.

The norlicultural mittee says it is hoped that more Island growers will achieve the 130 loans level this year.

U.S. GRAIN SALES

The consequences of getting tough

BY NANCY DUNNE IN WASHINGTON

on gram sales to the Saviet indicated that they will not co- now prices are low, but tradi- as unilsteral sanctions are Union, Mr John Block, Secres operate with the President's tionally, if you have a low applied to the USSR while other tary of Agriculture, is still efforts, so there will be supply." pitching more grain to the Russians.

The moves were announced ships, y President Reagan last Thes. The U.S. bas offered the by President Reugan last Tilesday, along with live other Soviets 23m tonnes of grains in economic sanctions in retalia- the year beginning October 1 tion for what he said was 1981. As of December 17, the the Kremlin's "direct res- Soviet Union had bought 10.9m ponsibility" for the imposition tonnes, costing about \$1.5hn, of martial law in Poland.

Block said, "hut a long term business, agreement is not essential. We One la want to sell grain to the Soviets, deater in Washington sald: We hope they'll buy more." "We're very cautious about in spile of the secretary's doing business with anyhody professed optimism, farm asso- now unters we see the colour ciatious and grains traders are of their money first." saying that the President's Worries about foreign actions will create a de tocto sales are growing just when

purchases.

increasingly pressed in diversify caused widespread pronouncelts sources of supply," says Miss ments of a farm depression.

Margie Williams, of the "For the moment, agricult

The expiry of the maritime agreement under which graio In an interview here last sold to the Soviets was carried week, Mr Block denied that the ou Russian, American and straight month averaged below has made efforts to promote suspension of U.S. Soviet negotherid party ships, one-third year-earlier levels, according to tiations for a long-term grain each, will cause further diff. Department of Agriculture agreement and the expiry of the culties. Without a maritime statistics. For the first time in U.S.-Soviet muritime agreement agreement, the loogshoremen last Thursday will have no may refuse to load Soviet ships, effect on the grain trade and the Russians may be disbetween the two superpowers couraged from sending in their

martial law in Poland. but uncertainties about the "The storosphere is not possibility of a total trade very good to hold talks," Mr embargo may hinder future

One large international grain

Worries about foreign grain embargo of Soviet agricultural American farmers can afford them least, linge harvests, high The Soviet Union is being Interest rates and inflation have

price, grain moves out fasler."

raw products fell 3.1 per cent Soviets." in December, and for the fifth nearly half a century the monthly farm price index did

level since 1932. USDA economists are saying that net farm income could fall another \$1hn to \$3bn in 1982.

Mr Block has offered little hope for government relief heyond the comparatively comparatively skimpy Farm Bill, which harely passed congress laat mooth. Under the new measure, a loan price floor of \$3.55 per busbel has been set for wheat and \$2.55 has been set as the maize price floor. In December whest aversged \$3.65 8 biishel (and was still fallingl compared to \$4.22 last year at this time, and maize plummeted to \$2.27 hushel, 92 cents below its December 1981 level,

The National Association of "For the moment, agriculture an increase in the wheat toan

WHILE FEARS are intensifying National Association of Wheat is in a depressed mode," said to at least \$4 per hushel because here of a de focto U.S. embargo Growers, "Our allies have Secretary Mr Block, "Right farmers "stand to suffer greatly nations continue their economic Prices paid to farmers fur and trade relations with the

Since laking office, Mr Block foreign grain sales and to convince the EEC to discontinue export subsidies of agricultural products.

" We have been trying lo make not rise at all lest year.

Even worse, the index measuring farmer huying to make the European Community understand Ilia(we are serious," he said. While he plans to conpower has sunk to its lowest tinue discussions with the EEC, he is also looking at a range of retaliatory options, including American export subsidies.

Mr Block expressed great frustration about the huge American agricultural surplus at a time when there is hunger elsewhere in the world. "But who's going to get it to them? Who's going to pay for it? The American farmer has to be

He sald the Far Easl holds the greatest potentiat for U.S. agricultural exports. "But I don't presend to believe these markets are going to explode. "I have a great amount of

concern about what the future holds," he said. "We'll have When Crowers is demanding to live through uncertain

EEC farm policy changes urged

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

EEC, a Minister of Agriculture Commission's sim of bringing would have to ask the Treasury EEC cereal prices into line with for £2,000m a year to maintain those on the world markets still prices and production as they held good. Cereals had done the message delivered by EEC and prices had risen much Christopher Tugendhat, Vice- faster than they had for twe-President of the EEC Commis- atock products. sion at the Oxford farming conference yesterday. He thought that in this instance the response would he very unsatisfactory to farmers and in addi-lion the British food market much of the Community's total

ceeding demand. The first crime. He hoped that with a attempt was the co-responsible common sense approach all lity levy on milk and litis must round national aids could be continue until supply and eliminated.

competition from their former

SHOULD BRITAIN leave the demand became equal. The are in Britain today. This was well since Britain joiced the

Although the rate of increasing expenditure on agriculture had been falling due to higher would be subject to subsidised budget. He discounted the fears expressed by British farmers about the national aids enjoyed Nevertheless. Mr Tugendhat by farmers in other countries said that EEC expenditure must by saying that all countries be controlled. Output was ex- accused the others of the same

This theme was taken up by particularly hadly affected. David Evans, chief economic

prices up to a certain limit and that support would then he ments. This would favour the reason of the smaller contribu-tion of farmers to the GDP he at present even dreamed about.

adviser to the NFIJ. He man of Northern Foods insisted deplored line proliferation of that the Treaty of Rome was nstional aids, particularly by out of date. It had been the French, who were disguising negotiated he said in a context their latest package under of sbortage and starvation and various social headings. If this not of perpetually increasing destroy completely the philo-aophy of free competition written into the Treaty of fulfility of increasing production. Either the CAP should be re-written or abandoned. He instanced the fulfility of increasing production. Rome. duction of things like hutter,
He did not think that the sugar, eggs, and bread while Community should only support consumption of these items was actually falling. In fact he said the only items of increasing given by individual govern- consumption were alcoholic ments. This would favour the liquors. He thought that the richer countries and make future market would be much farmers in the poorer ones less more in the direction of well off. Britain would by convenience foods and manu-

BRITISH COMMODITY MARKETS

London market could be one and of association.

BASE METALS - months £371.00, 72.00, 72.50. Kerb: 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 15.50. Alternoen: Three months £615.00, 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50. 72.50.

| Fig. | Amaignmated Male! Trading reported -that in the morning cash wirebara iraded at £859.50, 61.00, 61.50, 62.00

three months higher grade £890.00., 89.00, 89.50, 90.00, 90.50, 91.00, 91.50; 88.00, 89.50, 90.00, 90.50, 91.00, 91.50, 92.00, 91.00. Cathodes, three months £886.00, T. Kerb: Higher grade, three months £891.00, 92.00, 31.50. After noon: Higher grade, cash £858.00, 65.00, 4hree months £932.00, 91.59, 90.00, 89.00, 80.00, 87.00, Kerb: Higher grade, three months £866.00, 85.00, 85.00, 86.00, 84.00, 83.00, 85.00, 85.00, 85.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.00, 78.

attarnogn to close at 1580, etter 6976.

following wizeeble American and local at top-lose selfing. Zinc lose to 6478.5

on the consuming strike at Task Mines. Cash ... 8300.1 -25.5 8300.1 -14.5

but succunstred heavy profit-taking to close at 1468.5 Lask was finely 1369.

Aluminium 5911.5 and Nickel £2,942.5 Standard

Tin closed at 17.875, three months cash ... 8300 -24.5 8300.1 -14.5

with large emounts of cash material being traded.

being traded.

COPPER Official — Unofficial ... New York

Tin Morning: Standard, cash £8.300. TIN Official - Unofficial -

Zims—Morning: Cash £456.00, thres months £468.00, 69.00, 70.00, 69.50. Kerb: Three arouts £469.00. Afternoon: Three months, £470.00. 69:00, 68:00, 67:50. Kerb: Three months £466.00. 65:00, 66:00. Turnover: 12,300 tonnes.

n a.m. + or p.m. + or Official — Unofficial — Spot 589-90 -25 587-8 +1 5 months 614-5 -1,25611,5-2,5 +,5

Aluminium Morning: Three months £812.00, 11.00, 12.00, 15.00, 14.00 £812.00, 11.00, 12.00, 15.00, 14.00. Kerb: Three months £814.00, 15.00,

Spot 2865-70 +325 2870-80 +50 5 months 2940-5 +40 2940-5 +5.75 Nickel—Morning: Caeh £2,865, 70, three months £2,920, 35, 40, 45, 40, Kerb: Three months £2,950, 45, 40, 35, 36, 30, 40, 45, 42, Kerb: Three months £2,950, 45, 40, 35, 50, Three months £2,925, 40, 50. Tumover: 984, tonnes: † On pravious unofficial closs. * Cento per pound. ‡ M\$ per kilo. The market opened about \$2.00 lower but the ctrength of the physical price Caused a rally to the lights. Heavy U.S. commession house selling lighted

remier Mai	n.			
Month	Yesterdys -close	+ or	Buelness Done	
	S U.S.			'
enuary			326,75-25,00	
obruary			822.00-19.0D	
arch			815,00-11,75	
oril			300,00.08,00	
ау			308,00-06.00	
une			508.00-25.50	
uly		+ 6.60		
ugust!	306,50	+ 2.00	_	
ept	308,50	+ 6.50		
T.,	1 440 /1	2011	100	

SILVER Buillon + or L.M.E. + or per fixing - p.m. Unofficil GKAINS LME—Tumover 55 (150) lots ol 10,000 ouncas. Morning: Three months 441.5, 42.0, 41.5, 42.5, 43.0, 42.5. Kerb: three months 442.S. Attennon: lines months 445.5, 54.0, 54.5, 49.5, 50.0. Kerb: three months 448.00.

Businese done—Wheal: Jan 108.80108.95, March 112.15-112.00, May 115.51115.40, July 118.80 only, Sept 107.10106.70, Nov no trades. Seles: 62 lots of 100 tonnes. Barley: Jan 104.45-103.90, March 107.70-107.30, May 110.95-110.75, Sept 102.20-101.70, Nov 106.20-105.70. Seles: 142 lots of 100 tonnes. LONDON GRAINS—Wheat: U.5. Dark Northem Spring No. 2 14 per cent, Jen 115.90, Feb 117.25, Maich 118.50 transhipment East Coset. English Fead lob, Jan 112.50 8 firstol Channel. Maize: Franch. first hell Jan 133.50 tranship-

Other milling wheal: 5, Weel 108.60. Feed barley: 5, East 103.50, 5, Weel 104.30, W. Mids. 105.50, N. Weel 104.60. The UK Monetary Coefficient for the week baginning Monday January 11 (based on HGCA calculations using 4 days exchange lates] is expected to remain unchanged.

No. 1 Yost'r'ys Provious Susiness

Physical closing prices (buyers] were apol 49.00p [esme]; Feb S1.00p (seme); March S1.00p [seme].

		!		i
Metale Aluminio m Free Mkt	2810:816 \$1120:1140		£810/815 \$1120,160	
Cash Cathode	2567.5 £556 2523.5 \$400.5	+2.26 +5 +2.5 +10	£874.5 £696.25 £870.0 £650.25 \$416.5 £342.26	
S mths Niekel Free mkl	£570.78 £3737.75	+5	2352.25 £3673.69	
Platin'mtr'y oz Freemkt Quicksilvert Silver troy oz 5 mtns Tungsten22.0(b	1201,50 \$410,415 425,40¢ 441,50¢ £8,500,6 £7,865	+0,3 -2,5 +7,6 +8,0 -14,5 +10	£360 £217,35 \$426,42 454,605 469,80p £8362,p £8417,5 \$137,56	
Welfrm 22,04lbs Zino Oash 3 mihe Producara	\$128:125 2454.5 2467.75 \$250	+7	5124/129 2425.0 2435.25 \$920/60	
Olla Coconut (Phil). Groundnut Lintead Crude Palm Malayan.			\$667,50 \$755.	
Seeds Copra Philip Soyabean(U.S.)	3345 \$250	+ a	8350 9265	

Commodilles
Cocca snip't * £135e
Fulure May £1807
Coffee Fi Mer £1147.5
Cotton A.Index'68.75r
Gas Oil Feb. ... 8381.25
Rubber (kile)... 42p
Bugar (Raw)... 159y
Woott'ps 44s ki. 577p kile 1578pkile

‡ Unquoted, w Osc-Jen, z Feb, y Jen-Feb, 1 Per 76-ib flesk, * Ghens cocos n Nominal, § Selist,

crop, Golden Oeliciaus 20 lb 3.00-3.80, 40 lb 5.00-7.50, Etarkerimson 40 lb 8.50-7.00, 20 lb 3.40-3.89, Granny Smith 7.60-8.50; Canadian: Rid Delicious 9.00-11.00; U.S.: Red Delicious 8.00-14.00; Hungarian: Starking 6.80-7.00. Pears—Outch: Comica 14 lb, per pound 0.24-0.26. Peaches—3. African: 4.50. Nectarines—S. African: 18/28 500-8.00; Chilean: 33/48 8.00-9.50. Pluma—U.S.: 6er pound 0.20-0.40; Chilean: Sants Rosa 17 lb, per pound 0.90 Aprieots—5. African: 11 lb, per pound 0.50-0.55. Grapes—Spanish: Almairs 11 lb 3.00-2.80, Negra 4.80-5.00; 3. African: Queen of the Vinayard, per pound 1.00; U.S.: Rad Empelor 0.45; Chilean: Sendjess per pound 1.20. Strawberries—Israeli: Per 6-oz 1729 7.50-8.00; New Zasland: 1.20-1.30; Kenyan: 0.60-0.80; U.S.: 12 oz 1.50. Litchees—S. African:

AMERICAN MARKETS

NEW YORK, January 5.

COPPER acid off sherpty due to arbitrage selling as sterling weskened.
Cacos advanced on reports off additional binfer stock purchases. Coffee prices roses on eclive relater buying.
Cattle markets well mostly lower on the cash markets well mostly lower on the cash markets with the point. prices roses on active relater buying.

Cstile markets wells mostly lower on aleady cach markets while the polic complex was higher on enticipated lower marketings. Greins end eovabane were moderately lower following disappointing expoil inspection figures, reported Heinold.

Capper—Jan 72.60 (74.25], Feb 73.40 (75.60], March 74.20-74.23, May 75.90-76.05, July 77.25, Sept 79.25, Oct 81.85, Jan 82.70, March 84.32, May 82.00, July 87.60, Sept 192.50, Sept 192.50, July 87.60, Sept 192.50, Sept 192.0, July 87.60, Sept 192.0, July 191.0, Aug 191.5-192.0, April 79.7-80.1, Nov 75.5-77.0, Seles: Sept 192.0, July 191.0, Aug 191.5-192.0, Sept 192.0, Ort 192.0, July 191.0, Aug 191.5-192.0, Sept 192.0, July 191.0, Aug 191.5-192.0, Sept 192.0, Ort 192.0, July 191.0, Aug 191.5-192.0, Sept 192.0, July 191.5-192.0, Sept 192.0, July 191.5-192.0, Sept 192.0, July 191.5-192.0, Sept 192.0, July 191.5-(186.4), Maich 167 4-187.0 [187.4], May 183.8-129.0, July 191.0, Aug 191.5-192.0, Sept 192.0, Ort 192.0, Carc 196.0 [19.0], Soyabsen Oil — Jen 18.58-18.59 [18.63], March 19.14-10.13 (19.20), May 19 74, July 20 32, Aug 20.50-20.55, Sept 20.73-20.75, Oct 20.95, Occ 21.25, Jan 21.20-21 25, May 19.14-10.14 (19.20), Aug 20.50-20.50, Geo. 21.25, Jan 21.20-21 25, May 19.14-10.14 (19.20), Aug 20.50-20.50, Geo. 21.25, Jan 21.20-21 25, May 19.14-10.14 (19.20), Aug 20.50-20.50, Geo. 21.25, Jan 21.20-21 25, May 20.14-10.14 (19.20), Aug 20.50-20.50, Geo. 21.25, Jan 21.20-21 25, May 20.14 (19.20), Aug 20.14 (

280. 43||ver—Jen 833.0 (823.5|, Feb 240.5 | 1230.3|). March 847.0-250 0, May 868.0-871.0, July 828.0, Sept 968.9, Tac 929.3, Jen 549.5, March 969.8, May 990.1, July 1010.4, Sept 1020.7. Handy end July 1010.4. Sept 1020.7. Handy and Harman brillion spot: \$25.00 [202.00]. 9tigax—No. 11: March 17.80-12.51 (12.74), May 12.95-12.96 [12.90], July 13.17, Sept 12.40-12.41. Oct 13.62, Jan 12.55-14.30, March 14.27-14.26, May 14.40-14.80. Sales: 9.550, Tin—680.00-720.00 [1685.00-710.00].

CHICAGO, January S. Lard—Chicago loose 18.25 bid/18.50 offered (18.25). Live Carllo—Feb 68.60-56.70 (58.15), April 55.47-55.60 (55.97), June 56.55-

Monday's closing prices

NEW YORK, January 4. 72.35-7.

11Cocoa—Maich 2142 (2054), May 5.200.

2148 | 2000), July 2153, 5ept 2162,

Osc 2187, March 2217 Sales: S,400.

Coffee—"C" Contract: March 142.25
120.60, 123.63]. July 123.00, Sept 130.00-130.40, Dec 127.00-125.50, Sales: 2,300. Cottoo—No. 2: March 65,35-65.50 (65.70], July 66.20, Oct 70.10, Dac 71.10, March 682.1, Sept 482.1, Sept 482.1, Sept 482.1, Sept 482.1, Sept 482.1, Sept 482.3.

Jan 21.20-21 25.

†Who21—March 3917,-3904, (3904),
May 400-4004 | 40094]. July 405-40442.

Sept 417, Oec 43415, March 44826.

WINNIPFG, Januery 5.

{8arley—March 125.70 | 125.80), May 129.20 (129.20], July 130.80, Oci 122.70, Oec 134.00.

All cents par pound ex-warehouse unless otherwise etated. *5 per trey ounce, it Cents per 1709 ounce, it Cents per 56.1b bushel. † Cents per CO-1b bushel. | \$ par abort ton 12,000 bl). \$\$Can. per metric ton.

72.35-72.50, May 73.10-73.50, Salae:

Orange Juics—Jen 115.10 (117.20), March 118.75-118.80 (130.75), May 120.60, July 122.40-1123.80, Sept 123.80-123.90, Nov 125.00, Sales: 1,000,

EUROPEAN MARKETS

ROTTERDAM, January 6. ROTTERDAM, Jsnuary 6.
Wheet—(U.S. 5 per tonns]: U.S.
No. 2 Osik Hard Winter, 13.5 per cent:
Jen 196.50, Feb 198, Msrch 202, April
275, L.S. No. 2 Red Winter: Jen
173, Feb 174, March 177, U.S. No. 3
Amber Outum: Spot 197, mid-Jen/midFeb 203, April/Mey 195, June 197, March 204,
U.S. No. 2 Northern Spring, 14 per
cent: Jan 198, Feb 200, March 204,
April/Mey 191, Canadisn Western
Coccos—(FF) per 100 June 261.50, July 262.75,
Aug and Sepr 264, Ocr and Nov 263.25,
Oec 267.25.
Soyameal—(U.S. 5 per tonns], 44
Per cent protein; U.S. Affort 233, traded
Allori 233.50, Jan 234.50, Feb 235,
March 253, April/Sepr 244 sellars.
Coccos—(FF) per 100 Lips 1: March cent: Jan 198, Feb 200, Maich 204, Apri/Mey 191. Canadisn Western Red Spring: Jan 221, April/Msy 220. Malze — (U.S. \$ per tonne]: U.S. No. 3 Corn, Ysllow: Spor 132. A5oai 125. Jan 123.50. Feb 125, Meich 127, April/June 190, July/Sept 133, Oct/Oac 137. 1304-1305, May 1308-1310, July 1330 hid, Sep1 1345-1360, Disc 1570-1380. March 1380-1390, May 1390-1400. Sales

Cocos-(FFI per 100 kilos): March

125. Jan 123.50, Feb 125, Melch 127, April/June 190, July/Sept 133, Oct/Oac 137. Soyabeane—(U.S. \$ per tonne); U.S. Ang 1863-1878, July 1915-1935. No. 2 Yallow. Gul/ports: Jan 245.50, 1990, Dec 1995-2005, Merch 2010-2050. Feb 253.50, March 256.35, April 257.50, Selse at sell: 16.

Jan.4 | 0 ec. 51 Month ago Year ago 249.09248.97 | 247.69 | 265.97

Jan. 4 Dec. 50 Month ago Year ago 977.6 989.0 984.8 1235.6 [December 31, 1931-100]

DOW JONES Jan. Dec. Month Year 4 30 ego ago

8pot 155.02 357.56 362.72443.72 Ful.rs 126.87 365.79 571.18466.18 [Average 1924-25-26-100]

REUTERS

Jan. 6 'Jen. 4 M'nth ago'Year ago 1604.6 1604.0 | 1601.0 | 1729.5 (Base: September 18, 1931 =100)

English Froduce: Potatoes—per 55 lb, while 2.60-3.50, led 2.80-3.50, King Edwards 2.80-4.00. Mushrooms—per pound, open 0.30-0.40, closed 0.55-0.70. Apples—per pound, 2remley 0.18-0.28, Cox'e 0.20-0.28, Russets 0.18-0.30, Spartan's 0.20-0.28, Pars—per pound Confession 0.14-0.21 Commiss 0.18-0.21 Sparan's 0,20-0,25, Paars—per pound Conference 0.14-0.21, Comica 0.18-0.25, Carbbages—per 30-16 bag, Celtic/ Jan. King 2.00-2.50, Lettucas—per 12, round 1.80-2.40, Onions—per 55 lb

5.50; Iereall: 6.52; U.S.: 10.00. Welnuts
—Chinase: Per pound 0.44-0.45. Ib 1.50-2.30. Bestroots—per 28 lb.
English Produce: Potatoes—per 55 lb, while 2.60-3.50, led 2.80-3.60, King per 28 lb 2.00-3.00. Gerrots—per 28 lb 2.00-3.00. Gwedes—per net 1.20-1.40. Sprouts-per 20 lb 2.00-2.60

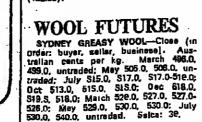
A NEW RANGE OF COMMODITY **SERVICES** ON THE REUTER MONITOR

Exchange prices, prices contributed by market makers, statistics, news and foreign exchange

METALS GRAINS/OILSEEDS COCOA RUBBER

COFFEE SUGAR PETROLEUM For further details please telephone John Roberts in London

on 01-251-7485 or contact-your local Reuter office.



8REDS—Close [in order: buyer, seller. business). New Zeeland cents per ku. Jan 364, 370, nil; March 374, 387, 375; May 278, 380, 378; Aug 393, 398, nil; Oct 396, 392, 397; Oct 404, 408, 406-406; Jan 405, 407, 406; March 414,

GAS OIL FUTURES

Month	resterdys -elose	+ or	Bueine	
	S U.S.			
nuary	526.78	+ 1.75	326_75-2 5	00.2
bruary	321,25	+0.25	522.00-I	9.00
rch	314,50	+ 1.00	\$ 15,00-1	1.75
ril			300,00 0	
y			308,00-0	
ne			508.00-2	
ly		+ 6.60		3,30
2ust!		+ 2.00	_	
	308.50	T 6.00	. –	
pt:	300,30	+ 5.50		
Tumover:	1,440 (1,	291]	lo stol	100

tonnes.		-	•		
CP	A	T	N	C	

The market opened slightly higher on old craps and unchanged on new clops. Commission house and shipper buying kept barley staady. New crop

	-			-
Int h	Yesterd'y Close		Yesterd's	+ or
ar loy sp	108.70 112,30 116.65 118.70 107.10 110.76	+0.15 +0.10 +0.10 +0.40	104.40 107.70 111.00 102.20 106.20	+ 0.8 + 0.4 + 0.3 + 0.5 + 0.7
Susi	nese do	e-Who	al: Jan	108.80

Jan 112:50 Sristol Channel. Matze: Franch, first hell Jan 133.50 Iranship-ment East Coast. S. African White/ Ycllow, Jan 83. Barley: English Feed fob, Jen/Merch 111 East Coast. Rest unquoted.
HGCA--Locational ax-larm spot prices.

The London physical market opened about unchanged, attracted little interest throughout the day and closed dull. Lewis and Peas raported a January lob price for No. 1 RSS in Kuela Lumpur of 198.5 [199.0] centa e kg end SMR 20 176.5 (175.5].

Sales: 167 [343] lots of 15 lonnes, 1 1165) lots of 5 tonnes.

SOYABEAN MEAL PRICE CHANGES

	Close		Susiness Done
	Ł		
bruary		.1 +0.10	
			. 124,74-25,50 124,40-23,00
eust	123,00 51	.0 -0.15	
100er			
b			

UGAR		
NOON DAILY 6.00.0013) 00.0	tonne c	ıl Jan-feb
ment. White :	sugal d	Alla buce
	·· —·	
4 Yesterday P	ciose	done

	£ per tonne
Mareh.	167.45 67.50 100.05 09.00 169.25.68.00
May	189,40-69,45 170,60 70.80 171,50-83,25 173,00-73,25 174,50-74,76 175,00-72,50
Aug 0ct	178.75-77.25 174.50 78.80 178.76-70.60
Jan	177.00-78.25 176,10-78.90 —
Marc.i.	182,76-03,80 104,75-85,90 185,00-88,26 183,75-85,00 186,10-88,80 184,50
Seles	4 396 Inte of 50 ronnes.

Seles: 4,396 lote of 50 tonnes.

Tata and Lyle dalivery price for granulated basis white sugar was £374.00 (same) a tonne lob for home trade and £268 50 (£273.00) for export. Intomational Sugar Agreement [U.S. cents per pound] lob and etowad Cambbaan ports Prices for Jan 4: Only price 12.57 (13.01]: 15-day swaregs 13.16 (13.18).

COTTON LIVERPOOL—Spot and ehipmens seles amounted to 100 tonnes. A little more interest was shown in specialist growthe, but standard qualities moved off slowly, apart from certain African

POTATOES

LONGON POTATO FUTURES—Poor wanther lorecasts kept buyers in the merket, with April showing gains of £1.70, belors lare profit taking trimmed gene, reports Coley and Harper. Closing prices: Fob 94.20, +0.20 (high 95.00, low 94.00]; April 115.00, +0.70 (high 115.00, low 114.60); Nov 67.20 unchanged (67.20 only). Turnuver: 372 (416) lots of 40 tonnes.

MEAT/VEGETABLES SMITHFIELD—Fence per pound. Beef: 5contial killed aides 84.5 to 89.5; Ulster quarters 62.5 to 65.5. Veal: Britch hinds and ends 139.0 to 145.0. Lamb: English amell 76.0 to 87.0, medium 80.0 to 85.0; Importad; New Zealand PL (new asson) 68.0 to 69.0, PM (new section) 68.0 to 69.0, YLs (old seaton) 67.0 to 67.0, YMs [eld descon) 67.0 to 67.0. Pork: English under 170 to 43.0 to 56.5.

The market opened shightly higher on commercial putting our nearby positions, reports T. G. Roddick. Pices remained in a narrow range and drifted at the close.

-		1900	_	wan
	Metale			
	Aluminio m	£810:816		£810/a
0	Free Mkt	\$1120/1140		\$1120,10
ā	Copper			
ĕ	Cash h arade	£858.5		£874,5
•	3 mulre	2587.5		£690.9
	Cash Cathode	£656	-5	£870.0
	9 mlhs	£623.5	-2.5	£650.9
	Gold , roy oz		+10	8418.5
	Load Cash	2356	+4.5	£342.0
	5 mths		+5	235P.P
•	Niekel	¥3737.75		£3673.6
	Free mkl	255,290e	+2.5	840/90

crop. Golden Oeliciaus 30 lb 3.00-3.80.

List: 12 oz 1.50. Litches—S. Alrican:
0.80. Malana—Spanish: 10 kg 5.00-8.00,
15 kg A1 10.50-11.00. Pinaspplas—
luory Cast: Each 0 40-1.00. Sananas—
Colombian: Per pound 0.18. Augustos

85.0; Importad; New Zealand PL (new eason) 68.0 to 69.0, YM (new secton) 68.0 to 69.0, YM (new secton) 67.0 to 67.0, YMs (ald seaton) 67.0 to 6

INDICES FINANCIAL TIMES

(Base: July 1, 1952-100). MOODY'S

GRIMS8Y FISH—Supply poor, demand good. Prices at ship's sids (unprocessed) per atone: Shelf ced (5.00-66.90, codlings £4.00-64.60, Larga baddock £2.80-65.80. Medium plaise £5.00-66.20. Rockfish £1.40-£2.00. Reda £1.40-£2.00. Sauthe £2.90.

US influences affect markets but Gilts and equity leaders reduce falls after UK banking statistics chesper for a two-day fail of for the company from Bosehangh.

Account Dealing Dates

Option *First Declara- Last Account Dealings tions Dealings
Dec 23 Jan 7 Jan 8 Jan 18
Jan 11 Jan 21 Jan 22 Feb 1
Jan 25 Feb 11 Feb 12 Feb 22 industrial relations outlook and expectations that Wall Street would react adversely to the surprise jump in maney growth, announced after Monday's close, • "New time" dealings may take place from 0.30 am two business days

U.S. influences in the shape of the latest unexpected sharp increase in money growth, which led to weakness in the bond market there, and a teading analyst's prediction that American long-term interest rales would this year threaten their 1981 peaks had a marked effect on London stock markels vester. Both main investment sectors displayed nervousness with Government securities falling a point and leading sbares sustaining double-figure losses prior to rallying late following receipt of the UK December banking statistics.

The Glit-edged market seemed especially uncertain. After opening easier, dealers encountered nervous selling which took its toll at both eods of the market. Many longer-dated issues soon showed falls of a point and the short tap. Exchequer 14 per cent 1986, was cearly that much down at the same stars. We reliving tendency one stage. No rallying tendency developed until the 2.30 pm announcement of December's rise nouncement of December's rise of only 1 per cent in sterling M3. This was much smaller than expected and longer nuotations immediately recovered around half of the earlier falls, but the shorts made only a tentative

Improvement and closed with losses extending to a.
Still faced with the worrying industrial relations outlook and leading equities also weakened. Popular Electricals decline and GEC fell to 800p before closing a mere 3 down on halance at 808p. Oils, too, were sold ioitially by iovestors wery of the downward pressures on crude oil prices, but in this sector also final losses were negligible.

The FT Industrial Ordinary share index measured the con-tinued easioess with a fall of 8.1 at the three counts from noon until 2.00 pm. An hour later. after release of the UK banking figures it recorded a decline of 4.5 and this was finally trimmed to 4.2 at the close of 518.1; confirmation of sharply lower New York values in vesterday's early trade had little or no impact on

Demand for Traded options continued to improve and 1.957 deals were arranged yesterday-1.342 calls and 815 puts. British Petroleum recorded 345 calls and the same number of puts while Imperial returned in the fore with 284 calls completed, 111 in the Fehruary 70's and 100 in the February 80's.

Banks dull

30a,0 S01.3 S07.5 308.9 510.5 51a.7 410.2

- 10,571 a,217 a,213 5,578 4,187 15,646

43.5 Equities.

FINANCIAL TIMES STOCK INDICES

518,1 529,5 550,4 522,8

Earnings, Yid. 2 (fulf) 10.12; 10.05; 0.91 2.95; 10,04; 10.16; 15.87

Total bargains. 15,590, 15,505 11,429 9,140 8,381 0,301 17,584

Equity turnover £m ... | 66,18, 43,78 66,46 35,41 50,86 70,09

10 am 521 0. 11 am 516 0. Noon 514.2. 1 pm \$14.2.

2 pm 514.2 3 pm 617.8.

Besis 100 Govt. Secs. 15/10/26. Fixed Int. 1823. Industrial Ord.

Latest Index 01-246 8026.

1981/a SinceCompilatin

262.6 (22/3/80)

70.61 | 60.17 | 127.4 | 48.13 | Glit Edged | Bargains. | (20.5) | 125/101 | (3/1/35) | 15/1/75) | Eductes

72.01 61.51 150.4 50.52 Bargains... 129.5) (26/101 (26/11/47) 15/1/75) Velue...... 597.5 446.0 597.3 49.4 Gitt. Edged (30/4) (14/1) 33/4/81/ (28/6/40) Bargains...

5,78 6.65 S.67

Government Secs...; 61.89; 62,54, 62.37; 82.36;

5.76

P/E Ratio (netx *),.... 12.62, 12.70, 12.88 12.84

1/7/35. Gold Mines 12/9/55. SE Activity 1974.

High : Low High

HIGHS AND LOWS

428,0

Reflection the liquidation of speculative positions in the absence of bid developments, Bank of Scotland fell 10 to 495p.

62.57 69.06 88.83

584.0 518.1 478.9

5,72 5.78 7.54

12,72 12.58 7.07

S.E. ACTIVITY

Jan. Doc. 4 51

136.3. 89.4

525 500-	AM	1	•
475	1		Lim.
450	Propert	y	
400	F.TActuaries I	ndex	-

trend

virtually unchanged. House-builders Barratt Developments closed 5 cheaper at 210p; Stan

dard Life Assurance now has a

5.2 per cent stake in the com-pany. Fresh interest was shown

in Wigglos Group which put on 3, to a peak of 90p, while the

appearance of a single huyer in

Feb International 7 10 88p.

market short of stock lifted

ICI, down to 284p at one stage

on light selling, ratifed to close unchanged on halance at 288n.

Fisons finished just a penny cheaper at 152p, after 148p.

Leading Stores lurned dull, although some finished a shade above the day's worst. Mother-care came under renewed pressure awaiting next work's share-holders' masting to work as the

bolders' meeting to vote on the

proposed merger with Habitat

Habitat recovered from an earlier 100p to close unchanged at 113p. A reasonable two-way trade developed in selected secondary lasues. Cornett

secondary issues. Cornelt Dresses reacted to revived profit-

taking and closed 8 lower at

155p. Polly Peck fell to to 345n, while Wearwell eased a couple of peoce in 54p with the nil-paid

a similar amount off at 4p pre-

mlum. Sellera also held sway in Tern-Consulate, 4 down at 55n.

hut H. Samuel, interim results

due next Monday, added a comple

Electricals where the leaders

eased a couple of pence to 455p.

Dull conditions prevailed in

of pence to t02p.

gave up 5 more to 155p;

after 495p. Awaiting the Monopolies Commission's decision on virtually the rival hids from Hongknng Shangbal and Standard Chartered, Royal Bank of Scotland shed 9 to 186p; SC gave up 13 to 663p and HK a couple of pence to 129p. Home banks cootinued to drift lower on sporadic offerings and lack of support. Midland lost 8 to 340p and Barclays 7 to 445p; the major clearers have agreed to huy for 251m, the informational Commodities Clearing House, the clearing house for London's sofl commodity markets. Irish issues came on offer with Bank of Ircland down 10 at 250p and Altled Irisb 6 off al 94p. Discounts eased in sympathy with gilts: Cater Alten declined 10 to 305p as did Union, to 400p. Elsewhere, Gnioness Post eased to 85p hefore closing a net 2 cheaner at 88p on reports that the Stock Exchange is studying the movements in the shares

the company. Feara that damage caused ha recent storms could have cost the insurance market £50m prompted nervous selling of Composites which retreated from the start. Prices closed a few peoce above the day's lowest, but Sun Alliance still sustained a fall of 14 to 816p. after 8t2p, while Eagle Star shed I to 318p and General Accident S to 306p. GRE declined 8 to 286p as did Phoenix, to 216p. Elsewhere, Pearl, at 388p, also

hefore the announcement that a

partial offer might he made for

Mothercare easier

Breweries continued to drift lower for want of attention. Sporadic support was evident at the lower levels, but the leaders still finished with modest falls. Whithread, 890, and Scottish and Newcastle, 50p. eased armuod 2 apiece. Wines and arnuod 2 apiece. Spirits also closed a shade easier for choice. Arthur Bell Snished 6 lower at 148p, after 146p, following adverse Press com-ment. Support was also lacking

Leading Engineers railied in places, Tubes, 122p. and Hawker, for Luis Gordon, 3 off al 29p. few pence easler for most of the session in the absence of support. leading Buildings alleration after touching 118p and support, leading Buildings 316p respectively. Renewed picked up in line with the offerings, however, left Vickers

take-over favourite, encountered speculative demand and closed 4 higher at 94p, after 95p. Yarrow, 300n up 10, and Vosper, 5 to the cond at 140p, also moved against the Irend, while Halille Holdings, the subject of an abortive cash offer worth 190p per share from General Tire, rose 6 to 192p fol-lowing news that the latter had acquired a 7.5 per cent stake at 200p per share in Hallite to hring its holding to 28.5 per cent. United Engineering, in contrast, mel fresh offeriogs and gave up 7 more to 253p. Falla of 4 were marked against, Pegter-Haftersley, 176p. B. Elliott, 90p. and Slaveley, 216p. Disappninting interim results left Howden Gronp 2 cheaper at 150p, while Redman Heenan closed a penny Inwer at 46p after the full report. Birmid remained on offer at 23p, down 11p, and Brockhouse gave up 3 to 29p.

Leading Foods generally met light selling and eased a shade. Elsewhere, revived speculative interest in a thin market lifted Bernard Matthews to to 110p.

T. W. Ward better

T, W. Ward rose 8 to 218p in response to the chairman's profils and dividend forecast contained in the defence document firmly rejecting RTZ's 190p per share bid. Elsewhere in miscellaneous industrials. Highgate and Job jumped S to 54p on speculative buying fuelled by hopes that Panavision Windows Ltd. and the associate Pickles of Paisley might launch a hid. Reports of a mini-boom in washing machine sales helped Hoover A to put on 4 to 84p, while Halma gained 3 to 87p in response to the hetter than-expected interim results. Eurofiame rallied 2 further to 16p, after 20p, and Silentnight edged forward a penny to 89p, the latter on the announcement that the group is investing £5m in new factories. Ahead of to-morrow's Interim figures, Peler Black gave up 8 to 215p, while Brilish Aerospace came on offer at 198p, down 6. Recently excited hy the Kuwaiti Investment Office's increased stake in the company to 6.75m shares, Chubb eacted 3 no profit-taking to 99p. Pilkington, 8 easier at 255p, became the biggest casualty of the quietly dull leaders.

were particularly vulnerable to renewed selling. However, a late rally helped them to close well Recently ' firm Pleasurama closed 5 cheaper at 305p, after rany neiped them to close well above the day's lowest with GEC finishing only a few pence off at 805p, after 800p. Plessey lost 4 more to 353p, after 350p, while Racat dipped 7 to 428p, after 425p; the latter's interim figures are due not Wednesday. There 300p, the increased annual profits and proposed 100 per cent scrip issue discounted. Elsewhere in the Leisure sector. Horizoo
Travet a good market of late on
reports of increased holiday
honkings, reacted to 275p on are due next Wednesday. There EMI, with half-yearly results scheduled for lomorrow week, profil-taking before closing a net nff at 278p. Fading hid hopes ctipped 4 from Black and Edgington to 48p. Among Television Issues. Scottish TV A shed 3 to Elsewhere, Onest Automation lost 7 to 133p awaiting today's first-half results. Ward and Goldstone shed 6 to 106p hut, agalosi the 17p and Trident gave up a penny to 6Sp, the latter following share-holders' approval of the £14.6m trend. George Scholes put on 8

> The uncertain outlook for interest rates inhibited interest in Properiles and the leaders closed with modest losses, where changed Atlention elsewhere changed was centred on situation stocks Loodon Shop Property closed 2 cheaper at 135p, 2fter 134p, fol-lowing the t35p per share bid

NEW HIGHS AND LOWS FOR 1981/2

NEW HIGHS (13)

BUILDINGS (2)

NEW LOWS (24)

TEAS (1)

CORPORATION LOAMS 13 6 upr '88-50 London Corp. June 1985-57 1984-85

BEERS (2) Gordon IL.) Whitbread NSURANCE (1)

RUBBERS (11

RISES AND FALLS YESTERDAY

aritish Funds	Rises	Falls	Same
	1	87	4
Corpus Dom and Foreign Bonds	2	38	32
	134	£77	787
Financial and Prop. Oils	37	128	276
	8	45	56
	2	0	13
Others	66	38	91
	39	42	43
Totals	290	894	1,302

OPTIONS

Last Deal- Declara- Settle tion ings ment Apr 15 Jan 29 Apr 28 Feh 1 Feb 12 May 13 May 24 For rate indications see end of

Share Information Service Calls were arranged in Burton Oil, RHM, Black ond Edgington BP, Burmab, Weir, James Fintay Comben, Royal Bank of Scotland and Loraine. Puts were com-pleted in Habitat and Royal Bank of Scotland and doubles were struck in Exco, BP, ICL, Cons. Gold Fields and Royal Bank of

Oils above worst

Oils remained friendless. Early offerilags and tack of support 8 to 40p and Warrior Resources 10 to the same price.

Among Financials, Mercantile Honse turned reactionary ahead of the interim figures due later in the mooth and eased 15 to 423p. Majedie lost 5 to 85p, but Energy Finance moved against the trend with a rise of 3 to 45p.

South African Golds put on a much hrighter performance, boosted by yesterday's \$10 rise in the hullion price which closed \$405.5 an ounce.

quickly rallied to close at the day's hest levels in the wake of The Gold Mines

Rio Tinte-Zinc were finally un-altered at 430p, having fallen to 423p in early trading, while the Bermuda registered Minorco gave up S to 392p.

An otherwise quiet Australian An otherwise quiet Australian section was featured by Gold Mines of Kalgoorlie, 8 firmer at 368p, and Peko - Wallsend, 10 up at 330p, both following the grant was a section of the section with the section with the section was a section was a section with the section was a section with the section was a section was featured by Gold Mines of Kalgoorlie, 8 firmer at 368p, and Peko - Wallsend, 10 section was featured by Gold Mines of Kalgoorlie, 8 firmer at 368p, and Peko - Wallsend, 10 section was section was section was section was section with the section was section gains in precious metal prices. In the oll and gas issues, Beach Petroleum added 3 for a two-day gain of 8 to 98p reflecting rumours that hydrocarbons have been encountered in the Sperm

wage dispute.

Strait

11 to 144p. Elsewhere, the trend unchanged at 250p, after 240p. was again to lower levels, but Greycoat Estates, down 22 on Anderson Strathclyde, an old Monday on consideration of the for City Offices, rallied 7 to 147p; the latter held at 1220. Berketey Hambro, in receint of a paper bid from Town and City, shed & to 332p with T & C I easier at 31p. Carlton Reat Estates were quinted at 161p ex the rights issue with the new nil-paid shares at 1p premium.

prompted fresh duliness, but a subsequent rally left most quotations above the day's worst. BP ended 6 off at 302p, after 300p. while Shell, the subject of a recent broker's favonrable circular closed maltered at 394p. after 388p. Lasmo fell 13 to 405p and Ultramar to to 477p, while Burmak ended 4 cheaper at 120p. Unsettled by the sale of the Baron Oil and Gas Company following disappointing results from the subsidiary, KCA Inter-national fell 6 more to 122p. Reflecting recent adverse Press mention, Donble Eagle weakened

Golds firmer

The sharemarket opened on a steady note, encountered light profit-taking around mid-day, but American support in the afterhours' trade. The Gold index gained 0.7 to 302.0.

London Financials fell sharply at the outset, depressed by the downturn in UK equities, but also staged a recovery in the late

Elsewhere, Tara Mines eased lo 495p on news that workers at the Navan zinc/lead mine have rejected the company's wage offer: the mine has been closed offer: the mine has been closed | Racol Elec ... 12 for six months because of the | Rank org. ... 12 wage dispute. 12

Whale No. 1 well in the Bass

FIXED INTEREST STOCKS

EQUITIES

Asproy Saillie GiffordJ'n Tst 97

b2.5

Pare pares	Latest Re rung date	1081 High!		Stock	Olosing price &	+ 0.
67,48 £25 66 F.P. 100 F.P. 1 Mil \$100 F.P. 100 F.P. 62 F.P. 70 F.P. 100 Nil	25/2	51 105 17pm 2 100 s 100 78 75	51 102 11pm 99 084 64 54	Pennine Comm. 18pc. Conv. uns. 1.122 Do. 16le pc. uns. 1986	103 Zipm 9915 9915	-16

"RIGHTS" OFFERS

issue :	Latest Renunc		1981/2		Stock.	Pier Por Por	+ or	
price	P P	dat	°=_	High	Low		0	``
71 ₂ 142 2,5A8 15 158 25 44 71 ₂ 90 95 05 cta	F.P. NII F.P. NII F.P.	17/10	21/1 21/1 15/1 01/1	158 08pm 112pm 183 9pm 6pm 10 10pm	195 50pm 1pm 172 71 ₂ pm 5pm 75m 50 1pm 103pm	Abwood Mech. Brown (M) C 8 R. C 8 R. Great Portland Estates. Lennons Grp. Ragian Prop. Strong & Fisher. Telfos. T N T	71-1 156 72pm 1pm 174 71-2pm 5pm 51-1 10pm 51 1pm 4pm	4 2 2

Renunciation date usually last day for dealing free of stamp duty to Figures based on prospectus estimate. In dividend rate paid or payable on part of capital, grassing dividend and yield after early lasts. In Interim since increased or hasomed dividend and yield after early lasts. In Interim since increased or hasomed, u Forecast dividend; cover based on previous year's earnings, resumed, u Forecast dividend; cover based on previous year's earnings. Invidend and yield based on prospectus or other official estimate for 1981, fundered and yield based on prospectus or other official estimate for 1981, fundered and yield based on prospectus or other official estimate for 1981, fundered or Gross. Tigures assumed. I Cover allows for conversion of shares not Q Gross. Tigures assumed. I cover allows for conversion of shares not Q Gross. Tigures as a "rights," ** Issued by tender. I Officed to holders of ordinary shares as a "rights," ** Issued by way of capitalisation, for the provisional or partity paid allotment over. It is introduction. I issued to former preference holders. I Allotment over. It is introduction. Provisional or partity-paid ellotment letters. * With warrants, the Qualings under special Rule, & United Securities Market. It London Listing. I Effective issue price after scrip. I tesued as a unit comprising 33 Ordinary and £5 Loan 1986-28.

ACTIVE STOCKS

Above average activity was noted	in the following stocks	yesterday
Closing		Closing price Day's
price Day's	Stock	pence change
ank of Scotland 498 -10	Howden Group	150 — 2 430 —
arclays 9ank 445	RTZ Royal ak of Scotland	186 - 9.
nitish Asrospace 198 - 8	Shall Transport	394 81814
P 302 - 5	Ward (T.W.)	218 + 8

MONDAVIS ACTIVE STOCKS

	MUNDAYS	TOTTAR STOCKS	
	Based on bargains	recorded in SE Official List	
	Monday's :	. M	onday's
	No. of closing price price Day's	price	price Day's
	changes pence Change	Stock changes Cable & Wire 10	pence chang 212 - 2
TZ	14 430 -13	Sun Alliance 10	830 — 4 350 — 5
oyal ins	19 267 - 6	Chlorida Grp 9	27 - 1
langery	40 405	Comme Union 9	126 - 3

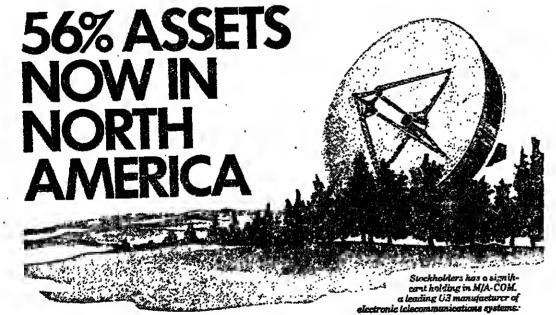
FT-ACTUARIES SHARE INDICES

These Indices are the isint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	Tues Jan 5 1982					Mon Jan 4	Thurs Dec 31	Wed Dec 30	Tries Dec 29	Year 250 (approx.)	
	& SUB-SECTIONS res in parentheses show number of	Index	Dav's	· Est. Earntogs Yield %	Sross Div. Yield %	Est. P/E Ratio	Index	Index	Index	Ipdex	lader	
rigur	stocks per section	No.	Change %	(Max.)	(ACT at 30%)	(Net)	No.	No.	No.	No.	No.	
1	CAPITAL 6000S (230)	351.70	-1.0	9.90	4.52	12.54	355.24 392.23	358.85	357.11 300.75	354.48 297.65	285.24 245.98	
5	Building Materials (25)	299.65	0.9	15.10	5.73	7.57	,	301.89			404.67	
3 (Contracting, Construction (28)	531.31	-0.6	17.68	5.31	17.34	534.37 1240.11	534.42	531.11 1251.37	524.95 1245.54		
4	Electricals (30)	1230.13	8.6	7.37				1257.81	489.16	481.98	394.47	
5	Engineering Contractors (9)	490.68	-0.2		5.76	8.99	491.91	490.87		190.23	170.74	
6	Mechanical Engineering (67)	188.63	12	11.26 8.59	5.79 7.59	11.33 15.74	190.89	.193.91 167.22	192.65	154.99	136.12	
8	Metals and Metal Forming (12)	92.62	-11	0.33	7.37		93.65	93.99	93.73	93.51	91.20	
9	Other Industrial Materials (18)	365.84	-1.2	9.08	6.21	13.47	370.47	374.19	372.63	370.89	289.84	
21	CONSUMER GROUP (198)	265.59	-0.7	13.67	6.22	8.98	267.53	269.25	268.73	266.73	238.11	
22	Brewers and Distillers (20)	266.31	_	17.55	7.35	6.81	269.29	272.42	272.89	270.15	268.38	
25	Food Manufacturing (21)	261.73		35.87	6.51	7.57	263.57	263.58	264.04	261.07	201.4	
26	Food Retailing (15)	545.79	11	9.73	3.60	12.45	533.74	551.28	549.77	546.30	454.90	
27	Health and Household Products (7)	338.70		9.23	4.72	12.73	342.20	345.96	344.97	343.18	261.05	
29	Leisure (24)	418.53		9.76	5.25	1277	420.12	420.24	418.78	414.17	345.12	
32	Newspapers, Publishing (12)	474.61		12.99	6.35	11.16	478.45	479.75	471.22	473.85	425.61	
33	Packaging and Paper (13)	130.74		15.53	5.23	7.68	131.31	132.65	130.94	128.18	113.35	
34	Stores (46)	238.02	-6.4	12.18	5.67	10.99	239.63	248.31	240.51	239,79	247.25	
35	Textiles (23)	152.91	-0.7	10.40	6.49	12.39	154.04	156.4	153.64	152.75	124.70	
36	Tobaccos (3]	253,74	-0.9	22.81	10.27	5.03	255.93	269.95	259.96	257.95	200.20	
39	Other Consumer (14)	252.58	+0.7	7.63	7.15	21.70	250.67	247.87	248.39	247.12	236.79	
41	OTHER OROUPS (79)	228,88	0.7	11.15	6.10	11.40	238.41	232.39	230.41	228.58	237.55	
42	Chemicals (3.6]	297.89	-0.3	6.07	6.07	25.77	298 66	302.00	300.51	297.31	272.57	
44	Office Equipment (4)	127.66		15.54	7.48	7.69	213.78	120.42	117.36	114.68	99.91	
45	Shipping and Transport (13)	535.46	-0.1	20,79	7.27	5.73	515.87	519.74	538.25	508.48	537.42	
46	Miscellaneous (46)	289.92	1	12.58	5.58	9.68	213.37	294.98	293.12	291.96	264.62	
49	INDUSTRIAL GROUP (487)	259.79	-0.3	11.93	5.55	10.42	292.20	294.58	293.41	201.20	252.67	
51	Olfs (13)	719.41	-13	19.29	7.85	5.72	727.81	743.56	747.55	76.2	190.22	
59	500 SHARE INDEX	324.65	-0.9	13.27	5.95	9.10	327.61	330.00	330.26	172.65		
61	FINANCIAL EROUP (119)	249.34		-	6.13	-	23.65	255.11	254.44		254.11	
62	Banks(6)	280.96	-1.9	32.67	6.72	3.64	285.26	287.11	284.30	276.27	245.03	
63	Discount Houses (9)	240.84	-22	1	9.19	-	246.20	296.71	247.21	267.16	295.06	
65	Insurance (Life) (9)	245.82	1.0		6.47	1.,-	249.24	252 38	252 78	243.57	224.23	
66	Insurance (Composite) (10)			-	8.95		152,72	155.05	155.05		1	
67	Insurance Brokers (8)	413.06		11.27	5.89	12.02	413.54	417,13	417.13	414.63	378.54	
68	Merchant Banks (12)	153.24			5:32	_	155.28	156.63	155.67	153.63		
69	Property (50)	443.82		4.98		26.88	448.58	452.91	453.27	451.74	448.42	
70	Other Financial (15)	175.10		17.00		7.23	178.62	177.99	177.27	174.41	172.55	
71	Investment Trusts (110)	283.5		-	5.70	—	225.33	285.90	285.28	24.77		
81	Mining Firance (4)	229 24		14.99		8.03	221.84	236.15	25.44	235.22		
91	Overseas Traders (17)	. 399.21		12.72		9.63	403.13	465.77	402.67	400.59		
	ALL-SHARE INDEX	307.1										

FIXED INTEREST							REDEMPTION YIELDS Jan	Mon. Yest Jan agi 4 (approx.)
	PRICE INDICES	Thes. Jan 5	Day's change	Mon Jan 4	nd adj. today	nd adj. 1982 to date	British Generalment Low 5 years 13.4 Compares 15 years 14.2	14.09 11.88
1	Britist Comment 5 years	105.25	0.46	195.72		8.09	25 years 14.1/ Medium 5 years 16.4 Cooper 15 years 16.16	16.22 13.37 15.97 13.88
3	S-15 years	98.55 99.61		99.14 100.24	<u>-</u>	9.00	25 years 15.4 6 5 years 16.2 Coopers 15 years 16.2	3 16.05 13.41 16.17 14.61
4 5	All Stocks	108.39 108.76	-1.29 -0.56	109.89 101.33	-	9.50 9.00	25 years 15.7: Interdeemables 13.6: Debt & Lases 5 years 16.9	13.63 11.52
<u>6</u>	Debentures & Longs	78.63 61.35		79.06	=	21.06	15 years	

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In 1981, Stockholders continued its investment policy of actively seeking out companies in existing and newly developed areas of advanced technology. primarily in North America.

Highlights of the year:

- * Trust's total resources at £85m and net asset value at 186.6p-both record levels.
- Shift in investments to North America continues-56% of 1981 portfolio, compared with 43% in 1989 and 28% in 1979.
- * Dividend up for the 11th successive year.

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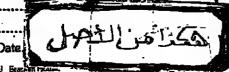
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FINANCIAL TIMES

Wednesday January 6 1982

Skelmersdale

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Money supply rises 0.25%

per cent. the smallest rise for earlier losses of £1. more than a year.

interest rates rose again yesterday after Monday's publication end of the financial year. White figure will be published next worse-than-expected American money supply figures, cautiously predicting an out-which now bave a far bigger turn of 13 to 14 per cent, impact than the UK statistics somewhat lower than some which now bave a far bigger impact than the UK statistics on City financial markets.

Sterling reacted to higher dollar interest rates by falling \$1.4 cents during the day in London, where it closed at \$1.9125. However, it held its own against other currencies and finished slightly higher according to its Bank of England index at 91.4, against 91.3 on Monday.

A significant factor bebind general interest rates pessimism was the prediction oo Monday by Dr Henry Kaufman of Salomon Bros that U.S. interest

THE GOVERNMENT was Although to have attempting to draw comfort last supply figures were better than servants' strike, are putting totalled more than £1bn last night from the announcement expected, the London gilt-edged that sterling M3, the broad market finished lower. Longmeasure of the money supply, dated stocks were down £½, last month grew by only 0.25 although they recovered from

> exceeded substantially by the hall officials last night were pessimistic forecasters had tbought.

Apart from the influence of dollar interest rates, two other factors are dampening the outlook for an easing of UK

credit costs. Private sector borrowing from the banks, although well down from November's record level, still appeared to be growing last month at an uocomfortably high rate.

Additionally, heavy flows of funds to the Exchequer, caused not only by the start of the traditional tax-gathering season but also by back-payments sionary influence. Private bank

strains on short-term liquidity in the London money markets. The rise of 0.25 per cent in sterling M3 last month—seasonally adjusted, for the

The Government's 6 to 10 per three-week banking month to Prospects for interest rate cent target rate for monetary December 9—was given yestercuts remain clouded. U.S. growth is still expected to be day as a provisional figure by

> Along with the 0.5 per cent increase in November, last month's rise marked only the second monthly gain of less than 1 per cent during the whole of 1981.

The small increase was due mainly to large cash flows to the Treasury, which heavily reduced the need for govern-ment borrowing. The Bank said yesterday that a further £1bm of delured three wars poid to the delayed taxes were paid to the Exchequer during the banking month, although still £3.5bn remained outstanding as of mid-December.

High credit demand from the private sector however continues of represent an expan-

GOVERNMENT was Although the UK money of tax delayed by the civil horrowing is thought to have month, down from £2.58bn in Novemher but still higher than the Government would like.

The London clearing banks in their monthly statement said yesterday that their sterling advances to the private sector were hroadly flat last month. The banks said lending for

mortgage finance—which has led the recent spurt in private credit—grew again last month. The combination of slacker monetary growth last month and atatistical changes had led to a reduction in the overall increase of sterling M3.

At an annualised rate since the Government's latest target period started in February, monetary growth in the 10 months to December was down to around 15.5 per cent against 17.7 per cent—before the statis-tical changes—in the nine months to November.

Gold and currency reserves down, Page 6; Editorial Comment, Page 12; U.S. interest rates volatile,

McDonnell Douglas calls DC-10 meeting

By Paul Betts in New York

McDONNELL DOUGLAS, the U.S. nerospace company, is to meet the 45 users of its DC-10 wide-bodied commercial aircraft next week to discuss possible changes aimed at improving the zircraft's wing-slat system.

This system, working flaps in the rear of an aircraft wing, operates in conjunction with the leading edge flaps at the front of the wing and is crucial during take-off and landing.

The January 14 meeting at the company's Long Beach. California, headquarters will discuss the findings of an investigation by the company and the U.S. National Transportation Safety Board into an accident unvolving an Air Florida DC-10 in Miami dast September

when an engine disintegrated. No one was hurt hut the bave been yet another setback for McDonnell Douglas's widebodied aircraft.

Demand for the aircraft bas failen sharply since the crash of an American Airlines DC-10 at O'Hare international airport in Chicago on May 25 1979 in which 273 people were killed. The crash was the worst disaster in U.S. aviation history. In the Miami accident, an eogine disintegrated during take off, damaging part of the system of moving parts in the wing. A similar failure apparently happened at Cbicago when an engine broke from its wing mounting soon after take

McDonnell Douglas confirmed yesterday that the company had called the meeting for next week. It said this was not an incommon action. Manufacturers regularly considered changes

and updates to aircraft.

The meeting, however, comes at a difficult time for the company whose DC-18 order book has also been bit by the slump in the airline industry. The U.S. Government has dealt the company another blow by indi-cating that it plans to terminate the KC-10 programme, a military version of the DC-10.

The government proposal could still be reversed by the U.S. congress, but McDonnell Douglas has warned that if the programme were scrapped, the mpany would consider ending DC-10 production.

Continued from Page 1

'Wets' aim

from some ministers to drop the proposals for savings on unemployment and short-term supplementary benefits. This looks likely to be successful.

Treasury Ministera are likely to stress the need to contain public sector horrowing if economic recovery is to be sustained and if interest rates are to he cut. While these factors will limit the room for manoeuvre the Treasury's projections in its December statement indicated that there might be some scope for tax cuts, though not on the scale desired by the "wets."

Treasury forecasts are already being prepared and they are unlikely to differ significantly from those published just over a month ago. A complicating factor is that there is likely to be considerable nncertainty about the pay outlook, especially in the public sector,

until after the Budget. But there are unlikely to be any of the major headaches of last year when projections of borrowing were revised upwards by several billioo pounds in the run up to the

Arabs seek action against U.S.

BY OUR FORMIN STAFF

action against the U.S. mounted record of aggression," yesterday as fit became clear that Washington would veto a United Nations Security Coun-cil resolution calling for sanc-tions against Israel over its annexation of the Golan Heights.

The 15 members of the Security Council have begun informal consultations on the "appropriate measures" which the council said should be taken if Israel did not abide by the December 17 resolution demanding that the annexation declaration be rescinded.

The deadline set by the Security Council passed yesterday. Israed is confident that the U.S. wild block a resolution proposed by Syria calling for sanctions.

Syrian newspapers said U.S. veto would seriously damage its relations with Arab countries. By going to the Security Council, Syria was

party that the historic alliance

oetween them — and the cash lifeline which the unions pro-

vide-depends ou an immediate

In doing so they will effec-tively end any embitions Mr Tony Benn still has to stand

gain for the deputy leadership

union leaders and senior mem-

allocation of parliamentary seats between the parties following the suspension of

Industry analysis said yesterday

coming 12 months, further

heavier extremes.

against Mr Denis Healey.

BY JOHN LLOYD, LABOUR CORRESPONDENT

Mr David Basnett, chairman of Trade Unions for a Labour Victory — the organisation which called the meeting yes-

BY PETER RIDDELL, POLITICAL EDITOR

make is clear to the Labour tolerate a situation where we

end to the battles between party
end to the battles between party
would bring up the issue of
factions.

Victory — the organisation which called the meeting yesterday and today between the

bers of the party's National who met separately from the trade union movement cannot party leaders, had discussed Committee at Bishops Stortford, raising the levy paid by indi-

that with little growth in Saudi Arabia faced a 26.3 per demand expected during the cent decline in their production

price cutting might occur, 1989. Overall OPEC production particularly by producers of dropped in 1981 by 18.9 per crudes at the lighter and cent to 22.35m b/d compared

OPEC members other than

levels in 1981 compared with

with 26.89m b/d in the previous

ARAB PRESSURE for direct look closely at Israel's long demning the Golan annexation.

In Lebanon more extreme newspaper editorials described possible U.S. veto as "the bullet" which kills Washington'a relations with them,

The Saudi Arabian newspaper Al-Riyadh said the U.S. and the international community were faced with two choices: "Either to stand on the side of justice and peace, or snuff out any moderate voice calling for a peaceful solution." This decision could force "the entire Arab nation to resort to other means to recover its rights."

do not have an effective opposi-

tion or an alternative govern-

Mr Basnett said the unions

Mrs Judith Hart, the party

chairman, said: "I think we are

at the point of reaching a new basis of consolidation to fight

the Tories and the SDP and to

dedidcating ourselves to win the

finances. Earlier, the unions

Alliance to resume bargaining

THE Social Democrats and the bution of seats between local problems bave been brought

Liberals hope to resume nego-tiations later this week over the suggestion, two "firemen" bave possible to inject more energy allocation of parliamentary been appointed to keep abreast and goodwill into the talks.

with detailed negotiations and, if necessary, to solve local problems. They are Mr David

ment available."

et todya's discussions.

This theme was taken up in Kuwait where leading newspapers called openly for sanc-tions against the U.S. if it used In Israel there bas been little

anxiety over the outcome of the Security Council debate. Reassured by Washington that the U.S. would not support a vote Security Council, Syria was for sanctions, the Israealis Mubarak, of Egypt, would visit giving the international comemphasised that they could live President Reagan on February munity "another chance to with a resolution merely con-

U.S. diplomats in Tel Aviv said that despite the Reagan

Administration's anger at the Israeli action, it was wary of putting too much pressure on Mr Meoahem Begin Israeli's Prime Minister, in case be responded by balting the withdrawal from Sinai.

The U.S. attitude during the Security Council debate is likely to bave an important impact on the future of Saudi Arabia's eight-point peace plan for the Middle East.

A U.S. veto at the UN would boost radical Arab opinion, which has opposed the Saudi Initiative, and given weight to Syria's attempts to reconvene last November's abortive Arab summit, with the emphasis switched to confrontation with

The White House annouoced yesterday that President Mubarak, of Egypt, would visit

The unions will also call for the appointment of a director

of finance for the party and for more stringent control of party

A background paper prepared for the Bishops Stortford meet-

ing said the party's overdraft bad risen nearly too

£461,000 in the past year and that the general election fund was at its lowest for a decade. It calculated that the party

needs £3m to fight the next

election but is at present un-

likely to gather as much as £2m.

Both have too much at stake electorally to risk undermining

Serrano, director of Pemex,

was forced to resign. He

reduced the price of Isthmua

oll hy \$4 a barrel. When Pemex

mounted an unsuccessful action

to push the price \$2 a barrel

higher, oil companies reduced

near future.

expenditure.

THE TRADE unions will today Hents - said last night: "The vidual members to their unions' political funds, from an average of 1p a week to as much as 5p
—thoogb such a rise would be brighter weather. over a long period. It is more likely to be doubled in the London, S. England, the

snow but becoming brighter with strong N.E. wind. Max.

10C (50F).

N. and N.E. England, N. Wales

longer outbreaks. Wind strong to moderate easterly. Max. 3C (37F). Scotland, the Highlands

Soow showers with some drifting and strong to gale

(34F). S.W. Scotland, N. Ireland

talks last weekend. But some problems. They are Mr David key local difficulties remain. Mr David Steel, the Liheral leader, and Mr Bill Rodgers, ooe of the SDP's collective leadership, yesterday met over lunch to defuse what was being taken up by Labour and Tory MPs to attack the Alliance. Mr Bethsaligon for the Laberals and has shown some of the frustra tions and the differences of style and structure between the parties. A number of aerious difficulties remain. In particular, there harrassing row which was being taken up by Labour and Tory MPs to attack the Alliance. Mr Steel and Mr Rodgers Mr Steel and Mr Rodgers concordat before a joint meets should be established to prevent formally to restart negotiations. Both sides hope that, now the	Triday Langar R 2 46 Luxmbg. R 2 46 Algiers S 12 64 Majarca C 12 64 Algiers S 12 64 Majarca C 12 64 Algiers S 15 59 Meta C 16 61 Barbara — Mathens S 15 59 Meta C 16 61 Barbara S 15 59 Meta C 16 61 Berlin R 10 50 Mix. C.f — Holling C 2 43 Berlin R 9 48 Montri. F 5 7 42 6 Barbara C 9 48 Munich C 7 45 Bordya. C 14 57 Najabes R 10 50 Bordya. C 14 57 Najabes R 10 50 Bordya. R 9 48 Rissol R 9 48 R 9
Mexican oil price Continued from Page 1	Budpet. C 2 46 Vice F 14 57 Cairo F 15 59 Vicosia C 17 63 Cardiff R 9 48 Deorto C 12 81 Cas'b'ca F 20 68 Islo S-17 1 Cape T — Paris R 11 52 Chicg 1 C-10 14 Perth C 21 70
another producer of very heavy crude, announced price cuts on its various heavy grades ranging magazine Oil and Gas Johnnal from 29 to 90 cents a barrel. Mexico, which is not an OPEC member, has become a growing force in the international oil market. Its exports have contributed to the weakening of OPEC's position and the general reduction in world oil prices over recent months. Widely-quoted industry atatly producing over 31m b/d. William Chislett writes from Mexico City: Mexico is export ing ahout 1.3m b/d and is forecast on present performance to earn ahout \$17bn (£8.9bn) from oil exports this year. The price of Mexico's oil is a highly nationalistic issue. The general reduction in world oil with 1980.	Conhgn. C-10 14 Reykivk. S-13 9 Cortu F, 15 58 Rhades S 12 61 Denvert — Ro J'o — — Dublin C 2 48 Rome C 15 59 Dbrynk. F 11- 52 Salzbrg. R 5 41 Ednogh. C 1 34 S Freiset C 8 46 Faro C 15 59 S. Moritz — — Florence R 10 50 Stoget — — Frenkit. C 10 50 Stoget — — Funchal C 21 70 Stekhm Sn-12 10 Geneva C 9 48 Strasbg. R 10 50 Girsgow Sn 1 34 Freiger 2 19 68 Girsgow Sn 1 34 Fangiar 2 19 68 Simsey R 11 52 Fel River R 15 59 H'Isinki Sn-15 3 Fenerife S 22 72 H. Kong F 18 66 jokyn C 15 59

kersey C 11 52 Genna C 10 50 la burg — Versaw C 2 46 _ Pims. S 23 73 Zurich C 9 48 C—Cloudy. F—Fair. Fg—Fog. H—Harl. R—Rein. S—Sunny. SI—Steet. Sn—Snow. T—Thunder.

Greece 'not bound' by EEC declaration

By Victor Walker in Athens

THE GREEK GOVERNMENT announced last night that it would not be bound by a European Community declaration which condemned the military takeover in Poland and the Soviet Union for backing Warsaw, and which warned of possible economic sanctions.

sanctions.

The statement followed the summary and public sacking in a television news bulletin at midnight on Monday of Mr Assimakis Fotilas, deputy Foreign Minister, who signed the delegation carries in the the declaration earlier in the day in Brussels on behalf of

Greece,
"He had failed to obey
orders given to him," the
Government said yesterday
but refused to explain further. Mr Fotilas made no state-

ment on his return to Athens. During Monday's meeting of EEC ministers Mr Fotilas had helped to block a plan to send a special envoy to Warsaw and Moscow and held out against suggestions of economic sanctions against the Soviet Union.

He attended the meeting in place of Mr Ioannis Haraiam-boponlos, his Foreign Minis-

His dismissal was announced on television but there was official press statement and it was not known if the minister himself was told

The Greek Government had, until Monday's meeting, refused to join in any condemnation of events in Poland, restricting itself to an expression of "grave concern and grief."

Dr Andreas Papandreou the Prime Minister, has promised to make his socialist Government's view plain in a parliamentary debate on Poland expected to begin next week.

By his instant dismissal of

Mr Fotilas without allowing him first to return to Athens and resign, Dr Papandreeu appears to have given a clear warning to any other ministers who might be tempted to use their own initiative in

EEC discussions, He has also sbown once again that he is unhappy with Greece's membership of the Community

Editorial comment, Page 12

Unions to warn Labour on funds Weather

COLD EASTERLY air will bring snow showers, heavy and prolonged in the East. Rain in southern England and Wales will turn to snow ahead of

Midlands, S. Wales Outbreaks of rain, turning to

5C (41F).

S.W. England, Channel Isles
Cloudy with rain at times and
snow on high ground. Max.

Snow showers with some

force N.E. wind. Max. 1C

Scattered snow showers and sunny periods. Wind strong decreasing to moderate. Max. 2C (36F).

Outlook: Very cold with long outbreaks of rain or snow.

WORLDWIDE

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money figures

upward twist in U.S. interest rates is a more powerful influence than better-behaved British money figures and a firm pound, and yields on medium-dated stocks are back to a wary 161 per cent.

Index fell 4.2 to 518.1

THE LEX COLUMN

The new improved

Having been over-optimistic

about the money figures for

banking November, the gilt-

edged market was unnecessarily

gloomy about the prospects for the short (only three weeks)

and often unrepresentative December banking month. The rise in sterling M3 turns out

to have been a perfectly accept-

able 1 per cent, while the clear-ing banks' advances were un-

changed on a seasonally

been roughly £14bn-half the

have been growing less rapidly

overall than those of the mort-

gage-hungry clearers. So sterling M3, up 17.7 per ceot annualised on the old basis in the nine

months to November, has slowed to a 151 per cent growth rate on the new series in the

adjusted basis.

But the clearing banks' RTZ/Ward experience is not a fair reflection of private scales. Thomas w Thomas W. Ward is not renowned for the speed with which it produces figures, so yesterday's detailed forecast for tion of private sector credit demand. Total bank lending to the private sector seems to bave the full year to September 1982 record November level but still suggests an element of panic. high—of which £600m is accounted for by an increase in the Bank of England's boldings of commercial bills. Some of this Ward failed to produce a fullyear forecast at any stage during last year'a bid for Tunnel and its 1981 figures, must reflect the payment of an extra £1bn of tax held up by the civil service strike, and hastened by the RTZ offer, have been in only a month.

The forecast is certainly a equivalent in itself to around comprehensive and sturdily argued document. Precise figures are given for all its subsidiary insinesses, an awe-some task in the case of engiif per cent of the money stock. With bank lending continuing at this rate it seems unlikely that the December figures will prompt any relaxa-tion of official policy. Anyone who is anxious for positive encouragement should look at neering or vehicle distribution. Ward admittedly has some latitude since £1m has been allocated as a "general con-tingency" and the impressive the annualised figures for monetary growth which are favourably influenced by the list of 21 assumptions covers almost every eventuality short inclusion of a number of deposit of nuclear fall-out. takers, ranging from the Trustee Savings Banks to the Assemblies of God Property Trust, whose balance sheets

RTZ has been doing the rounds of institutional shareholders and Ward was ohviously worried that a higher offer would win immediate accept-ance. So it has put all its cards on the table in an apparent attempt to flush ont an even higher price. Ward sbares

ten months to December. An application from Banque Stagnante to join the "monetary considerably less emphasis on the unsuitability of RTZ as a sector" is believed to be under consideration at the highest bidder and more on the inadequacy of its offer. Ward will The gilt-edged market receive no help from Tunnel managed a feeble rally on in defending itself, and it is the figures, so that losses on having to the itself in knots the day were reduced to half a to explain why its Tunnel stake

than it was prepared to bid for Tunnel last year. Ward now looks to be directing its efforts towards obtaining the best pos-aible price for its shareholders.

Oil sector It is now more than two

months since the Opec meeting at which the Saudis regained control of the cartel and reestablished a unified oil pricing structure. Demand has proved extremely weak and there seems to have been little reduction in the surplus of stocks, judging by the falling spot prices in Rotterdam and the re-emergence of petrol price wars. On the stock market, the oil sector. which had enjoyed something of a run in the autumn shead of the meeting, has subsequently lost all its gains, falling more than 6 per cent relative to the All-Share. A further twist has been edded this week, with Venezuela introducing an average \$\frac{1}{2} a barrel cut in heavy crude oil prices on Monday and Mexico slashing its very heavy crude price by \$2 yesterday to

But these cuts do not mean that the oil price is about to go into a tail-spin. Two things seem to be happening. The process of adjusting price differentials in the new circumstances is taking some time Meanwhile, demand for the heavier crudes—used mainly in power generation—is particularly slack due to coal and nuclear substitution and the recession. So far it looks as if the Saudis can cut production enough to bring the overall market into balance responded yesterday with a eventually. But whereas until jump of 8p to 218p, where they recently this had been expected stand 28p ahove the existing in the spring, now it looks as if conditions will remain slack. The latest document places until the second balf.

So the outlook for the oil majors is not very encouraging, although at least the ending of the Aramco advantage has been a positive influence for BP and Shell. Moreover, Shell is one of the few majors with cracking capacity to take advantage point. But the fear of an is worth a lot more per sbare of low heavy crude prices.

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